The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

ARTICLES IN THIS ISSUE

The News from Siam

First Coffee---Now Oil

Japan's Two Billion Yen Budget

Words of Wisdom from South Africa

The First Tuesday After the First Monday

China Gradually Stabilizes Its Silver Policy

A Few Notes on the Manchurian Administration Squabble

U. S. Fleet Goes Through the Canal---Unavailing Censorship

Chiang Kai-shek Spokesman Emphatically Refutes Tsai Ting-kai Allegations

"The Great Game of American Politics"---Sinclair, Long, Bilbo and the New Deal

Nanking-Shanghai and Shanghai-Hangchow Railway Reports Record Many Improvements

Fifth Kuomintang National Congress Postponed; Gen. Chiang Kai-shek Leaves Peiping Hospital

Barnby's Industrial Mission May Undo the Work of the Lytton Report . . . . By Aurelius

Dr. Wang Chung-hui's Mission for National Unity . . . . . By C. Y. Hsieh

Noteworthy Reconstruction Work in Kiangsi Province . . . . . By S. Y. Chi

Close Government Supervision Over Banks Is Needed . . . . . By Paul K. Whang

SATURDAY, NOVEMBER 3, 1934 VOLUME 70, NUMBER 10

FORTY CENTS A COPY

70-351

BANK OF COMMUNICATIONS

Established in 1908

Under Special Charter of National Government as an Industrial Bank.

CAPITAL $10,000,000.00
RESERVE . . . . . $ 2,300,000.00

Branches throughout China and Correspondents in all principal cities of the world. Every description of banking business transacted, including Savings and Trust business.

Head Office: No. 14 The Bund, Shanghai
Telegraphic Address: "CHIAOTUNG"
Telephones: Nos. 11513—11519

Savings & Trust Department: No. 358 Nanking Road, Shanghai
Telephones: Nos. 90072 & 90153

LOCAL BRANCHES:—

358 Nanking Road, Tel. No. 90168
227 Boulevard des 2 Republiques, Tel. No. 82422
414 Wayside Li, East Broadway Road, Tel. No. 51344
185 Boundary Road, Tel. No. 45252

BRANCHES:

Nanking, Chinkiang, Changchow, Wusih, Soochow, Changsu, Yangchow, Taihsien, Nantung, Hsuchow, Pengpu, Singpu, Wuhu, Hankow, Changsha, Kiukiang, Shasi, Hangchow, Ningpo, Shaohsing, Yuyao, Tinghai, Lanchi, Tientsin, Peiping, Paoting, Tangshan, Shihchiachuang, Kaifeng, Chengchow, Tsinan, Weihsien, Tsingtao, Chefoo, Weihaiwei, Lungkow, Mukden, Dairen, Yingkow, Sunchiatai, Szepinkai, Taonan, Harbin, Changchun, Kirin, Fuchin, Heilungkiang, Kalgan, Kweihua, Paotow.

70-352

CUSTOMS NOTIFICATION NO. 1396

The public is hereby notified that, in accordance with Government instructions, a maximum of fifty dollars in silver may be carried by each passenger leaving for abroad.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 31st October, 1934.

JAPAN

AND THE CRISIS OF 1935-1936

An exhaustive, 22-page treatise on conditions now prevailing in Japan and an analysis of Japan's present relations with China and other countries. It covers trade, finance, politics and armament.

Which Way Will the Japanese Cat Jump Next?

50-cts. a copy, including postage.

THE CHINA WEEKLY REVIEW
160 Ave. Edward VII.
Shanghai.

THE NEW CHINA

North China's Only Journal of Opinion

Chronicling the March of New China

Twenty Cents per copy - Two Dollars per year

Abroad Mex. $3:20 per year including postage

Send Your Order to the Following Address

THE NEW CHINA PUBLISHING ASSOCIATION
185 Hsin K'ai Lu Hutung
Peiping, China

A.B.C. PRESS, SHANGHAI
Printing
in all its Branches

Your work should bear our imprint

The National City Bank of New York, Rates of Exchange

Shanghai, Oct. 31, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 3.05
Demand buying rate on America:	U.S.$100=Sh. $ 3.00
Demand selling rate on London:	£1.0.0=Sh. $15.18
Demand rate buying on London:	£1.0.0=Sh. $14.95

Latest New York Stock Exchange Quotations

Business Done:- 430,000 Shares

October 31, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCKS	Last Sale Oct. 29	Last Sale Oct. 30
13¾	3	—	Adams Express	6¾	6⅝
112	47½	3.00	Air Reduction	102½	103
33	11⅛	1.20	Alaska Juneau	17⅞	17¾
160¾	70⅝	6.00	Allied Chemical	129	127¾
26⅜	6	—¾	Allis Chalmers	12¼	12⅜
42½	9⅛	0.80	Am. Brake Shoe & Fdry.	24⅛	24⅛
107¾	49½	4.00	American Can	100	100¼
89⅞	13	—	Amer. Commi. Alcohol	26⅛	26⅝
22½	3¼	0.25	Amer. Cyanamid "B"	15⅛	15¼
19⅝	3⅞	—	American & Foreign Power	5¾	5¾
27⅝	3⅛	—	American Metal Company	14½	14⅞
53½	10¾	—	American Smelting	34½	34⅜
134¾	86½	9.00	American Tel. & Tel.	109¾	109⅝
94¾	50⅜	5.00	American Tobacco "B"	79¼	80
43¼	10⅞	1.00	American Waterworks	15¼	15
22⅞	5	—	Anaconda Copper	10⅜	10½
18⅝	5⅞	—	Atlas Corporation	8½	8¾
84¼	16⅞	—	Auburn	23	23¼
87⅞	8¼	—	Baltimore & Ohio	15¼	15⅜
49½	10¾	—	Bethlehem Steel	24½	24⅞
37½	18	1.60	Borden Company	24¼	24⅞
28⅝	5½	1.00	Borg Warner	22⅜	23
20⅞	7½	—	Canadian Pacific Railway	12	12⅛
103½	30½	—	Case, J. I.	44¾	45
40⅜	15⅞	1.40	Chase National Bank	23⅝	23¾
52½	14⅞	2.50	Chesapeake Corporation	33	33⅝
60⅜	7¾	1.00	Chrysler	33¼	34
28⅛	7⅜	—	Columbia Gas & Electric	8¼	8¼
6¾	1¾	—	Commonwealth & Southern (ord.)	1¼	1⅜
64½	25¼	2.00	Consolidated Gas of N. Y.	25⅝	25¾
28¾	4⅞	1.00	Continental Oil	16	16½
9⅞	2	—	Coty Inc.	4⅜	4⅜
5¼	1½	—	Curtiss Wright Company	2⅜	2¾
93¾	35	—	Delaware & Hudson	37½	37½
28¼	10¼	—	Douglas Aircraft	17	16⅜
103⅞	32½	2.60	Du Pont de Nemours	90¾	91¼
104	46	4.00	Eastman Kodak	103½	103¾
41⅝	9⅛	—	Electric Bond & Share	9⅜	9⅜
15⅜	3⅛	—	Electric Power & Light	3⅜	3⅜
19	8¼	—	Fox Film "A"	11⅜	12¼
50⅜	16¾	2.00	Freeport Texas	26½	26¾
10¾	2⅞	—	General Aviation	4	4
80¼	10½	0.60	General Electric	18	17⅞
39⅞	21	1.80	General Foods	31¾	33
42	10	1.00	General Motors	28⅜	28¾
49½	13¼	1.00	General Railway Signal	24½	24¼
27⅝	12	1.20	Gold Dust	16¼	16⅛
47⅛	9¼	—	Goodyear Tire & Rubber	19⅜	20
81½	15	3.00	Hercules Pwdr. Co.	69¾	69½
57¼	35	3.00	Howe Sound	47	48
40	6⅛	—	International Cement	21	21
46⅞	13⅛	0.60	International Harvester	32⅛	32½
29¼	6¾	0.60	International Nickel	23¼	23⅜
27¾	5¼	—	International Tel. & Tel.	9	9¼
66⅝	12¼	—	Johns Manville	46½	47⅜
26	7⅝	0.60	Kennecott	16⅜	16⅝
79¾	37½	2.40	Lehman Corporation	67	65⅜
101½	49	4.00	Liggett & Myers "B"	100⅛	100⅝
36½	8⅛	1.00	Loew's Inc.	29	28¾
25¼	10⅜	1.20	Lorillard	17⅝	17⅜
35⅝	8⅝	—	Montgomery Ward	26⅜	26⅜
43	16⅞	1.00	National City Bank	21	21⅜
33¼	16⅛	—	National Distillers	21¼	21⅜
58½	14	—	New York Central	20⅞	20⅜
36½	12⅛	4%S	North American	12⅝	12⅝
96¾	31½	3.00	Owens Illionois Glass	77	77⅜
31⅞	13¼	1.50	Pacific Gas & Electric	15⅝	15¼
6⅞	1⅜	—	Packard Motors	3⅝	3⅝
6⅝	1¼	—	Pennroad Corporation	1⅞	1⅞
42½	13¾	1.00	Pennsylvania Railroad	21⅝	21⅜
20⅜	4⅜	1.00	Phillips Petroleum	14⅛	14⅝
12¼	3	—	Radio Corporation	5⅝	5½
54¼	26½	3.00	Reynolds Tobacco "B"	48	48½
51⅝	12½	—	Sears Roebuck	38½	38¼
19⅞	6	0.60	Socony-Vacuum Corporation	13¼	13⅜
28	10¼	1.50	Southern California Edison	13	13⅜
22½	5½	—	Standard Gas & Electric	7	7
50⅛	22¾	1.00	Standard Oil Co. of N. J.	39½	40⅛
66½	45¾	3.80	Sterling Products	59	58⅞
9¼	1½	—	Studebaker	3	3
30⅛	10¾	1.00	Texas Corporation	20	20¾
9⅝	2⅝	0.12	Transamerica	5¼	5¼
51⅞	19¾	1.40	Union Carbide & Carbon	41⅞	42⅛
133⅞	61¼	6.00	Union Pacific	101	100¾
10½	8⅛	—	United Aircraft (New)	8⅛	8⅛
14½	3⅜	—	United Corporation	3⅛	3⅛
25	13⅝	1.20	United Gas Improvement	13⅝	13¾
51⅛	21½	2.00	Universal Leaf Tobacco	51¾	54½
25	2⅞	—	U. S. Rubber	15	15
67½	23⅝	—	U. S. Steel	31¼	31½
36¼	7⅝	—	Vanadium	16	15¾
13⅝	1	—	Warner Bros. Pictures	4½	4⅝
58¾	19⅜	0·65	Westinghouse Elect.	29¾	30¾
54⅞	25⅞	2.40	Woolworth	50	49¾

SWAN, CULBERTSON & FRITZ

Swan, Culbertson & Fritz

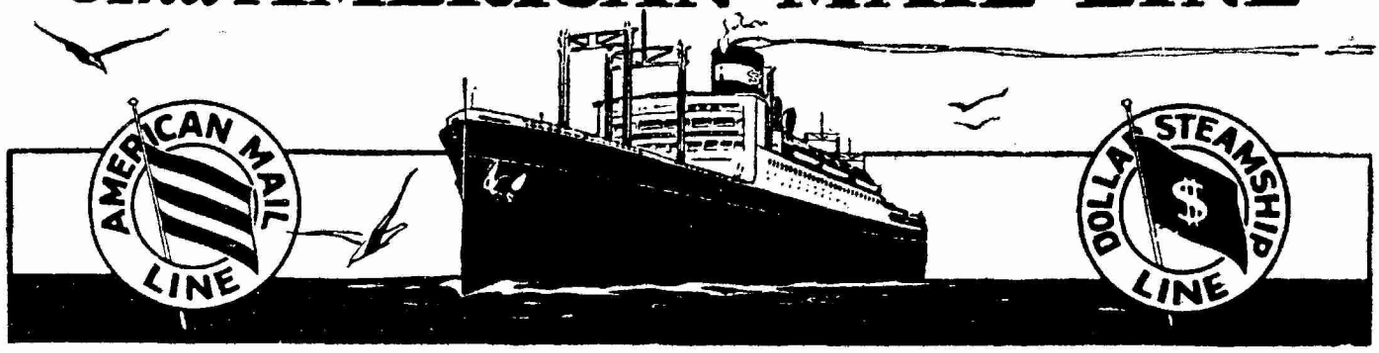
Investment Securities—Local & Foreign

Safe Deposit Facilities

New York stock quotations received daily

Sassoon House Telephones 11200 (4 lines)

DOLLAR STEAMSHIP LINE
And AMERICAN MAIL LINE



Announce the following

Christmas Ships

	Sails From Shanghai	Arrives San Francisco
S.S. PRES. LINCOLN	Nov. 24	Dec. 11
S.S. PRES. HOOVER	Dec. 4	Dec. 19

	Sails From Shanghai	Arrives Seattle
S.S. PRES. McKINLEY	Nov. 27	Dec. 11
S.S. PRES. GRANT	Dec. 11	Dec. 25

Make Your Bookings Early!

DOLLAR STEAMSHIP LINES
AMERICAN MAIL LINE

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China.

密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 70 | Shanghai, China, Saturday, November 3, 1934 | Number 10

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG — S.Y. LEUNG

C. Y. HSIEH — PAUL K. WHANG

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

First Coffee—Now Oil 315
U. S. Fleet Goes Through the Canal—Unavailing Censorship 316
The News from Siam 316
A Few Notes on the Manchurian Administration Squabble 317
China Gradually Stabilizes Its Silver Policy 318
The First Tuesday After the First Monday 319
Words of Wisdom from South Africa 319
Nanking-Shanghai and Shanghai-Hangchow Railway Reports Record Many Improvements 319
"The Great Game of American Politics"—Sinclair, Long, Bilbo and the New Deal 320

Special Articles

Fifth Kuomintang National Congress Postponed; Gen. Chiang Kai-shek Leaves Peiping Hospital 323
Noteworthy Reconstruction Work in Kiangsi Province ..... By S. Y. Chi 327
Barnby's Industrial Mission May Undo the Work of the Lytton Report ..... By Aurelius 328
Chiang Kai-shek Spokesman Emphatically Refutes Tsai Ting-kai Allegations 330
Close Government Supervision Over Banks Is Needed ..... By Paul K. Whang 332
Japan's Two Billion Yen Budget 335
Dr. Wang Chung-Hui's Mission for National Unity ..... By C. Y. Hsieh 338
Who's Who in China 343
Men and Events 344
New Books of Interest in the Far East 346

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

FIRST COFFEE—NOW OIL

EVER since the state of "Manchukuo" was created with the support of Japanese bayonets, Japan has been busily engaged in trying to secure recognition for its puppet by the same means that for many years the Soviets tried to get recognition for themselves, namely by dangling economic advantages as the bait or the bribe for those who would lay aside their prejudices and grant the very much desired recognition. When Charles Evans Hughes, now Justice of the U.S. Supreme Court, was Secretary of State, he consistently refused to accord recognition to the Soviets, and his reply to the economic bait was that Russia (at that time) "was a huge economic vacuum." Economic conditions in Russia since that statement was made by Mr. Hughes have improved considerably, but the considerations which moved the present Roosevelt Administration to accord recognition were not based on economic motives, although, since recognition was accomplished, negotiations have at various times been going on between the Soviet representatives and the Administration with a view to getting some sort of payment for the old Russian debts from the present Soviet regime. So far, however, the net result of the negotiations seems to be that the Soviets would like to get still further credits from the United States. Turning now to Japan's endeavors on behalf of its protégé, the bait of economic advantage is being dangled in front of the Central American states, in the shape of promises to buy more coffee, and one of them has, as a result, recognized Manchukuo. The latest move by Japan is of a much more audacious character. Put in a few words, the challenge to the United States, Great Britain and the Netherlands, practically amounts to this:—"You either recognize Manchukuo or we will ruin your oil business in that area." Whether or not the recent announcement to the above practical effect made by Tokyo spokesmen is a trial balloon (as was the Amau statement) or is meant in earnest, there is undoubtedly one possibility that the Japanese have in mind in this latest move to secure recognition for Manchukuo, namely, that one or the other of these three nations may be induced to act independently of the others, as for example Italy recently did in announcing the raising of its Legation in China to an Embassy.

U. S. FLEET GOES THROUGH THE CANAL—UNAVAILING CENSORSHIP

THE American Fleet is back in the Pacific. Ninety vessels made the "return" trip last week in the record time of 42 hours. However, the telegrams report that the weather conditions were bad, several minor mishaps occurred; and the Admiral in charge was quoted as saying that no particular effort had been made to break any record. An interesting feature of the passage of the fleet through the Canal was the way the news was brought to the Far East. The French service *Havas*, not being under any inhibitions, sent a message promptly from some Central American port that the Fleet had started to go through the canal on Tuesday night (of last week). *Rengo* furnished the same news to the papers in Japan. At that same time the American news service was sending out such vague statements as that the Navy Department was non-committal when asked whether is was true that the trip through the Canal would be advanced from the date of November 1 which had been originally set; also that merchant ships were being stopped from going through the canal while warships raced through it to test the mechanism. After the trip was completed the American service reported the event as an accomplished fact and mentioned that the American newspapermen aboard the various units had not been allowed to send out any messages. The disclosure of the fleet's trip through the canal, by the American telegraph service on Thursday, October 25, was represented as a "distinct surprise."

In an event of this kind it is doubtless in the interest of the United States that no news of it should be given to the world concerning it until it has been accomplished, for, after all, some untoward event, caused by an outside agency, *might* occur. The Canal Zone, it is to be remembered, extends only five miles on each side of the Canal and the two cities at the termini of the Canal are not under the jurisdiction of the United States. But unless arrangements can be made to muzzle other than American news agencies in reporting such an event, attempts on the part of the American government to keep it a secret must naturally fail, and in the absence of the censorship proving effective it merely becomes ridiculous. Censorship of this kind seems, under existing conditions, almost as ill-timed as some of the censorship invoked by Chinese censors. Obviously the numerous merchant ships that are stopped from going through the Canal for almost two days must know that the event is in progress and they would naturally send the news of their delay and the reasons for it to their respective principals. This partial censorship imposed by the American Government may, however, be useful to this extent: It demonstrates that even in war time the American Government, under existing conditions, is not in a position to prevent the news of such an important event as the passing of its fleet through the Canal from reaching the outside world.

THE NEWS FROM SIAM

SIAM has broken into the news dispatches once more. This time, the King, who is in England, where his eyes are being operated on, has announced that he is abdicating. Conditions in the little kingdom to the North of the Malaya Peninsula have been in a confused condition for the past several years, and the announcement of the King's abdication hardly comes as a surprise. Siam will be remembered as the one country that sided with Japan on the Manchurian matter. Siam showed its attitude by refraining from voting on the adoption of the Lytton report. Siam, along with most countries in the tropical regions in that area, has a very large Chinese population, which manages to get most of the business into its hands, despite the discrimination that is shown against Chinese there in various ways. Siam is one of the two countries (the other being Indo-China) that China draws on largely for supplies of rice to make up for the deficiency in its own country. Rice imports from Siam so far this year has been about Chinese $24,000,000.

The big news from Siam will come some years hence, when Japan, which already now has a very friendly interest in Siam,—as was evidenced by the vote at Geneva—feels that the might of Britain will have been sufficiently dimmed not to stand in her way. If you will look at a map of the Malay Peninsula, you will note that just at the southern tip of Burma and to the east of it there runs a small river with a wide mouth—the district is known as the Isthmus of Kra. It is an ideal place to dig a canal across, and the one country that is particularly interested in seeing it dug is Japan. The principal country interested in *not* seeing such a canal dug is Britain. The interest of Japan in seeing a canal dug across the isthmus is increased in proportion as the Singapore base is made stronger. Singapore now constitutes a bottle neck in the East Asia-European steamer lane. All countries on the east coast of Asia, China and the Philippine Islands included, will have economic reasons for approving the idea of the digging of such a canal, because when such a canal has been dug the trip from the east coast of Asia to India, the North African coast and Europe will be shortened by at least three days (in the case of the average cargo boat even more) as the long detour through the Singapore Straits will be eliminated. Hints at the fact that surveys for such a canal have been made have been published at various times during the past several years. The Japanese have always professed themslves to be disinterested. But not much attention need be paid to Japanese protestations in this respect. The digging of such a canal is the logical thing to do, just as the digging of the Suez Canal and the Panama Canal were the logical things to do. France built the Suez Canal and Britain's then Prime Minister Disraeli bought the controlling interest and to-day Britain is the country that is most interested in seeing the free passage through it maintained. America built the Panama Canal and America is the principal country interested in seeing passage though that

canal maintained. The principal country that would be benefitted by a canal being dug through the Kra Peninsula would be Japan and when the opportune moment arrives it may be taken for granted that Japan will set the necessary political and financial machinery in motion to have it dug. Siam's views on the matter may, possibly, not count in the matter any more than did those of Colombia in the case of the Panama Canal. But Siam has everything to gain by such a move. Communication between Bangkok, the seaport of Siam, and Rangoon, the seaport of Burma, would be reduced by about two-thirds if a canal were dug across the peninsula. In the meantime it is reported that a Siamese prince has arrived in Tokyo preliminary to entering a Japanese college.

A FEW NOTES ON THE MANCHURIAN ADMINISTRATION SQUABBLE

THE general reader will probably have had only a hazy idea as to what the much-talked-about Manchurian reorganization squabble has been all about. An attempt will be made here to explain the situation simply and briefly. Going back to the year 1905, the Japanese inherited from the Russians the lease on the Liaotung peninsula—on which are situated the fortress of Port Arthur and the commercial city of Dairen. The history of these two cities can be traced by their nomenclature. Port Arthur is known in Chinese as Lushunkou (旅順口) "Favorable Travel Port." When the Russians took it they retained the name which the English gave it. When the Japanese took it they used the Chinese characters, but gave them their own pronunciation, namely Ryojun, which is what they call it today. The original name of the commercial port in Chinese was (大連灣), pronounced Talienwan (Great Connection Bay). When the Russians took it they transliterated the Chinese name into Dalny (meaning farther—as one punster put it, probably because that is the farthest the Russians ever got). When the Japanese took the place they adopted and retained the Chinese characters, but gave them their own pronunciation, namely Dairen, which is what they call it to-day. The Japanese also inherited at that time the Russian railway concession south of Changchun. That was the start of the South Manchurian railway. With the railway went a "zone". The Russians retained their railway concession, north of Changchun and east and west of Harbin. That comprised the Chinese Eastern Railway, of which so much has been heard in the intervening years. The Japanese are now in the process of taking that over also. Although Japanese influence has always been strong in Manchuria since 1905, and gradually growing stronger as the years went by, no actual change was made in the political situation until the Japanese descended on Mukden a little more than three years ago. Ever since that date the incubus of militarism has hung as a cloud over Japanese politics. The Japanese nation as a whole is probably heart and soul behind the Manchurian adventure. The Japanese as a people have not been so ready to bear the military yoke which has been the naturally corollary.

But ever since the creation of "Manchukuo" there has never been any question as to who were the "bosses"—its was the military party that took possession of it and they have had it firmly under their control ever since. As regards the Kwantung leased territory; previous to the acquisition of Manchuria it was exclusively under the control of the Overseas Ministry, and under it was the Governor General of the Kwantung leased territory. The man who holds that position is General Hishigari. The post of Minister of Overseas Affairs has been vacant for some time, the control of this Ministry having been in the hands of the premier, Admiral Okada, who held the concurrent post of Minister of Overseas Affairs. However, following the settlement of the Manchurian muddle, Count Hideo Kodama has been appointed Minister of Overseas Affairs. Count Kodama was once administrator of the Korean Government. He is a son of the late General Gentaro Kodama, distinguished soldier at the time of the Russo-Japanese War and at one time Minister of War, in 1876.

The establishment of "Manchukuo" naturally required that an ambassador be appointed by Japan. The man who holds that position is General Hishigari. And there has naturally also to be a general in command of the Kwantung garrison, and the man who holds that position is General Hishigari. So, under existing conditions—which the cabinet has decided to change, and which the Diet, it is a foregone conclusion, will go through the formality of approving—when General Hishigari reports as the head of the Kwantung garrison, he addresses the Minister of War; when he reports as governor general of Kwantung he addresses the Minister of Overseas Affairs; and when he reports as Ambassador to Manuchukuo he addresses the Ministry of Foreign Affairs. That is now all being changed and he will report in all his capacities only to the Premier through the Political Bureau which is to be established. A bitter struggle was waged between the civilians and the Army for the right to appoint the Vice-Director of the Bureau, who is to wield great influence through his appointive power. Still another conflict has been with the police of the Kwantung territory, who were to be headed by the Commander of the Kwantung gendarmerie. When the Government persisted in its determination to appoint an Army man to head the police, the many thousands of police and office-holders in the Kwantung leased territory threatened to stage a strike, but on second thought they calmed down, on being assured that they were not to be replaced by army men—a natural fear seeing that the territory is now placed more firmly under military control. Major-General Doihara of Mukden seizure fame is now in Dairen keeping the Kwantung police and Kwantung office holders in general from kicking over the traces. On top of it all, General Hishigari has decided that the situation has become too hot for him. On page 268 (*China Weekly Review*, Oct. 20) it was stated that General Hishigari had resigned, that he would be made a member of the War Council, and that General Hayashi had recom-

mended General Minami, ex-Minister of War, to replace General Hishigari. As it turns out the above statement was premature, the latest being that the above indicated changes will only take place next month.

THE "NIGORI"

IN connection with the resignation of the Governor General of Kwantung, an interesting point is that some of the telegraphic news agencies refer to him as General Hishikari and others as Hishigari. This difference involves a fine point in the pronunciation of the Japanese language in general, namely the incidence of the "nigori", literally "muddling". Japanese in chosing their family names do not follow the same method as the Chinese, although they use Chinese ideographic characters. Chinese family names are all of one syllable, as for example, the ubiquitous Wong. The Japanese run several Chinese characters together, but pronounce them in such a way that no Chinese would recognize them. When two such characters come together to form a single idea this rule of "nigori" comes in. It is only applied in certain cases, and not all the Japanese are agreed as to when it should apply. To take the most important example of all, the two characters 日 (literally "sun") and 本 (literally "origin"), which both the Chinese and Japanese agree on as the correct name for the Island Kingdom. The first character is pronounced by itself in Japanese "Ni", the second one "hon". But if the "nigori" is applied the joined syllables become "Nip-pon" instead of "Ni-hon". A furious controversy is now raging in Japan as to which is the "correct" pronunciation. The same applies in the case of the Kwantung Governor. General Hishikari or Hishigari? Take your choice.

All countries have their disputes as to correct pronunciation. Many years back there was a controversy in America as to the correct name for a proposed American warship, "Concord". New Englanders generally pronounce this word as though it were spelled "conquered". Others prefer to pronounce it "kon-kord." Emerson suggested that the word was at any rate unsuitable for the name of a warship, for no warship wishes to be "conquered", and if there were "concord" there would be no occasion for having the warship.

CHINA GRADUALLY STABILIZES ITS SILVER POLICY

FOLLOWING the first sudden move by the Chinese Government in placing such a heavy duty on the export of silver as to make it tantamount to an embargo. various changes in the enforcement of the general policy have been made, so that the mercantile public is not subject to the great uncertainties which were a natural incidental when the increased heavy export duties were first invoked. The latest modification in the procedure is that hereafter the payment of the equalization charge on the export of silver may be made on the day of declaration for shipment, and not on the date of clearance, thus obviating any uncertainty on the part of exporters of silver as to the amount of equalization charge to be paid.

A spokesman of the Central Bank of China stated that it is the wish of the National Government to check only that part of the outflow of silver which results from speculation. The recent modification is also intended as, secondly, affirming the policy of the Government to maintain the Chinese currency on the silver standard; and incidentally, it affords to the banks suitable cover in the event of heavy demand for exchange.

The formal Customs notification appearing in another column provides that on future silver exports:

> The Flood Relief Surtax and Revenue Surtax will not be levied on the amount of the equalization charge.
>
> The equalization charge is payable at the rate in force on the date of application to export and not on the date of clearance of the exporting vessel.
>
> The equalization charge is not refundable if a shipment is withdrawn.

One of the difficulties the National Government has to contend with in this connection is illustrated by conditions in Shanghai, from which province silver has been exported (and smuggled) in huge quantities to Dairen, the incentive being that under existing conditions every $1000 worth of silver has yielded a profit of from $40 to $50. The export restrictions, announced by the Shantung Provincial Department of Finance, are (as cited by *Kuo Min*) as follows:

> 1.—No person in Shantung shall be allowed to hoard more than $500 in silver.
>
> 2.—No person leaving Shantung shall be allowed to take out with him more than $200 in silver.
>
> 3.—No silver shall be exported from Shantung, for business purposes, without a permit from the Shantung Provincial Department of Finance.
>
> 4.—No person in Shantung shall be allowed to handle the transportation of provincial products valued at more than $5,000 a day.

A writer in the *North China Daily News* very succinctly sums up the situation as follows:

"The smuggling problem is not new. It has existed for over a year in Canton where, following the imposition of an embargo on silver exports, no less than $50,000,000 was smuggled out of Canton into Hongkong, whence the silver returned to China through Shanghai. Interpretations of tendencies which seem to affect the markets at this juncture should pay due regard to the possible intrusion of purely local vicissitudes. Thus, recent appreciation of the Tientsin dollar has been derived from an accidental development unconnected with the main issue. A local bank in Tientsin recently got into difficulties. This created a considerable demand for Tientsin dollars, with the natural result that Shanghai dollars, which had previously stood at a premium in Tientsin, went to a discount for the time being. These local occurrences are worth mentioning as symptoms of the general difficulty of attempting any fundamental change in the basis of China's currency at the present time."

The first case of smuggling of silver out of Shanghai since the imposition of the flexible export duty was discovered at Tsingtao, Oct. 30, according to information from the Customs House in said city. A smuggled shipment of 56,000 silver dollars was found on board the Japanese vessel, the *Tsingtao Maru*, bound for Dairen, from Shanghai.

WORDS OF WISDOM FROM SOUTH AFRICA

THE following is part of a speech made by General J. C. Smuts, Minister of the South African Cabinet, in Dundee, Scotland, Oct. 24:

"The best hope for the world is that in the years to come we shall return to the good old way, to enrich ourselves not at the expense of others, but by enriching others also. Barbed wire entanglements should be taken down and the no-man's land, which is being built up round every country, done away with. In the so-called economic isolation and economic nationalism, I see only the doom of trade, the doom of good relationships in the world and the doom of much that was dear to all."

General Smuts was given the "Freedom of Dundee". He deserves the Freedom of the World—free passports to every country with free transportation thrown in, to preach this very sensible doctrine. It is *apropos* in this connection to recall that several years ago at a convention of business men on New York one of the speakers in the course of his speech said: "There may be some doubt as to who caused the world war but there can be no doubt in anybody's mind as to who caused the world's tariff war."

THE FIRST TUESDAY AFTER THE FIRST MONDAY

THE principal difference in the election systems of the two English-speaking nations of the world is that in America the day for holding an election is determined by looking at the calendar; in England it is determined by the confidence that the electorate has in the officials they chose at the previous election. When the officials in office in England once lose the confidence of the public they have to run the gauntlet of another election. This works out that in the United States the political leaders only begin to replenish their election "war chests" some months before the first Tuesday after the first Monday in November—which Congress many years ago, as empowered by the Constitution, fixed as the date for holding the elections for members of Congress and electors to choose a President. In England the leaders of the contending parties have to keep their election "war chests" constantly filled, for there is no telling when the lightning of public disapproval may strike and make an election imperative. In England the term of campaigning is relatively short. There is no compulsion on the part of the 48 States which form the American Union to hold their elections, as for Governor, for example, on the day provided for the National elections, but most of them do. Every four years a President is chosen. This year only members of the Senate and the House of Representatives are voted for. Whether there are also state elections for Governor at this time depends on a number of factors, as for instance, what the length of the term of the Governor is in any one particular state, each State having the power of fix that for itself.

The next American elections will be held November 6. Despite the fact that there is no President to be voted for the electioneering campaign is of an exceedingly strenuous character. President Roosevelt's "New Deal" is the main issue, and his prospects for re-election two years hence will to a large extent be determined by the election results next Tuesday.

NANKING - SHANGHAI & SHANGHAI-HANGCHOW RAILWAY REPORTS

THE Nanking-Shanghai and Shanghai Hangchow-Ningpo Railways (Huang Pe-tsiau, managing director, and Shao-tseng Wu, associate managing director) have published in a bound volume the quarterly reports of said railways for the four quarters of 1933 and the first and second quarters of 1934. These reports give a clear insight into the careful and able manner in which these railways are conducted. Taking the last report by way of example, it is recorded that as result of a thorough reformation at the Woosung workshops, the number of workmen reported on "sick leave" was reduced from 41 per cent to 8 per cent. Under new rules enforced in the administrative department, the traffic manager is given additional powers making for efficiency. Among the improvements made has been the establishment of a railway garden hotel at Tsinyangkong and the renovation of the Mokanshan railway hotel. A cafe has been opened in the Shanghai North station for the convenience of passengers. Drinking water is now supplied to fourth class passengers free of charge. Construction of an Administration Building has been decided upon in principle. The location selected is that opposite to the Shanghai North Station building. As a result of the strenuous efforts made by the Administration to liquidate the loan obligations and net profits it is recorded that there is a tendency for the value of the loan bonds of the two Railways to rise continuously on the London market. For instance in January, 1932, N.S.L. Bonds were quoted at 27½ the lowest and 43 at the highest, but recently their value has increased to 69. In January, 1932, S.H.N.L. Bonds were quoted at 55 the lowest, but their value has gradually increased and reached 99½ at the highest.

A Tribute to the Cantonese from H.E. Morriss

Sidney Galtrey, of the London *Daily Telegraph*, has produced in book form his memoirs as a racing journalist. He quotes a letter written to him in 1926 by H. E. Morriss, chief owner of the *North China Daily News* of Shanghai, who said:

The Cantonese, now striving for power, are supposed to be 'Red,' but when one reflects that for many years Cantonese have been and are compradores of the big foreign banks here and in other Treaty ports, are great bankers themselves, own and conduct big Selfridge-like Stores, and big tobacco companies, etc., etc., their status and outlook are scarcely compatible with the word 'Red' in the generally accepted sense. If they get into power it will not surprise me if they give far better government than the people have ever enjoyed before, along the Yangtze, as they are progressive, intelligent, and enlightened."

"The Great Game of American Politics"---Sinclair, Long, Bilbo and the New Deal

"THE great game of American politics"—to employ a phrase made famous by Frank Kent—reaches one of its biennial climaxes next week when the so-called sovereign people file forth to the polls to ostensibly select a proportion of their rulers for the next two, or four, or six years. All members of the lower house of Congress are elected for two-year terms; the senators are elected for six-years terms, with the terms so arranged that some expire every two years; and the terms of state governors vary from two to four years. There are also many other elective offices, such as state legislators. The president is elected for a four-years term, with the last elected for this office in 1932, so the highest office of the land is not directly affected by next week's elections,—but it is indirectly affected to a tremendous extent by whether the voters select representatives, senators, and even governors, who support or oppose the president. In 1918, for example, the Wilson administration was rather overwhelmingly repudiated in the elections; and in consequence Wilson's hands were tied during the two more years he had to serve. Thus, the League of Nations that he was instrumental in organizing, was rejected by the United States, much to the bewilderment of European statesmen who could not quite grasp the complexities of American politics, although to an American the meaning of the 1918 elections was quite clear.

This year, nothing of as much international importance as the League of Nations is at stake, but besides being an illuminating lesson in democracy to students everywhere, the elections will serve to reveal significant trends of direct effect on the U.S. and indirect effect on the world generally. The paramount issue in the elections is, of course, the New Deal of President Roosevelt. Roughly, the Democratic candidates for various offices are pro-Roosevelt, while the Republican candidates are anti-Roosevelt. If a Democratic landslide should be recorded, it will mean full popular endorsement for Roosevelt to pursue his present zig-zag way with impunity; if the Republicans should triumph or win enough support to indicate a marked decrease in popular enthusiasm for the administration, Roosevelt will be forced either to change his course somewhat, or court political disaster. Incidentally, or rather not so incidentally, this will be the first nation-wide opportunity for the American citizenry to vote on the New Deal, for most of the policies constituting it were never so much as intimated during Roosevelt's campaign for the presidency, and it is obvious to all competent observers that his election in 1932 was due primarily to profound popular disapproval of Herbert Hoover because of the ever intensifying depression.

Aside from the New Deal, there are such interesting aspects of the election as the candidacy of Upton Sinclair, the eminent ex-socialist, for the governorship of California, and the adornment of the political scene by Theodore Bilbo in Mississippi and Huey Long in Louisiana. Sinclair doubtless has the support of many Quixotic radicals the world ever, although he has been repudiated by his fellow Don Quixotes of the American Socialist Party. He is running as a Democratic candidate and a champion of the Roosevelt New Deal as well as a Sinclair Newer Deal whereby California is to be converted practically overnight into a semi-Socialist Paradise without disorder and bloodshed,—just as we have seen various European countries, like England, Germany and France, converted into Socialist paradises in recent years by various Socialist regimes!

For the purposes of this discussion, Sinclair may be disposed of very briefly. If he is elected, and should try to put his program into effect, he would have to hurdle successively the legislature, the state courts, and the federal courts. Somewhere along the line he would be pretty sure to be stopped. But if the incredible should happen, and he wasn't stopped by these bulwarks of the ruling class, either the flight of capital from California or a Fascist uprising would end his Socialist dreams. In brief, the lesson that neither he nor other Quixotic radicals have ever learned is that any state system is far more powerful than any individual, and to accept office under a system one opposes is either to bow to that system or bump one's head against a stone wall. The only realistic course is either to accept the system or attempt to smash it,—and ballots, being only scraps of paper, are not potent enough to do the latter. Perhaps if Sinclair is elected, Mooney and Billings will be pardoned,—but otherwise he will either do an about-face in office (like MacDonald in England, or suffer a severe, probably fatal, headache.

Bilbo's election, as senator from Mississippi, is already assured since he has no opposition. Bilbo's chief distinction is that he promises to "raise more hell than Huey Long." So far Bilbo is a politician of the type of the famed Big Bill Thompson who once became Mayor of Chicago on the strength of his promise "to bust King George (of England) in the snoot" if he came to that gang-ravaged and windswept metropolis. Long used to represent nothing more significant than similar demagogic effluvia, but today he has become the first clear-cut official embodiment of Fascist tactics in the United States. Louisiana is one of the American states which has in effect only a Democratic party. Long, first as Governor and now as United States Senator, not only has complete control of this party in the state, but employs his private gunmen and state guardsmen to prevent any opposition from developing.

Elections in Louisiana, as in Germany and Italy, are held under the auspices of "Storm Troopers" and nothing but the shallowest pretense of democracy remains. Long combines the ruthlessness and the demagoguery of a Hitler and while it would be far-fetched to intimate that he has any chance of national triumph along similar lines, no student of the American scene ought to ignore implications of his successful methods. For if one American state can be ruled by Fascist tactics, all of them can; and while there is no unmistakable evidence to indicate that Fascism is just around the corner in the U.S.A., there is certainly a trend toward it.

Here we come to the New Deal. Some of its radical critics have characterized it as Fascist. That, however, is not wholly accurate, but it does have some of the elements of Fascism. At the present, there are two outstanding aspects of the New Deal: (1.) widespread federal relief for the unemployed, and (2.) the development of American industries into vast cartels. The first aspect is not Fascist; it may be viewed as humantarian or it mav be viewed as counter revolutionary. In any event, it provides one reason why the masses may be expected to support Roosevelt in the elections. The second aspect is distinctly Fascist. It has meant the practical elimination of all the anti-trust laws, and the organization of American capitalism into a powerful machine for intelligently serving its own ends. The NRA codes lessen competition between capitalists, and consequently engender more unitv. higher prices, and improved facilities for keeping the workers in their proper place. Of course, the codes have been, in theory, designed to increase the wages and decrease the hours of the workers—and to some extent they have accomplished these alleged aims,—but the recent textile strike, which was quickly broken, showed that the employers are able to violate these items in the codes either directly or by "speed up" methods whereby workers are forced to produce as much in six or eight hours as they had formerly produced in ten or twelve. And the quick breaking of the strike revealed the immense superiority of the employers over the workers in any clash of interests.

While NRA has resulted in considerable price raising—wherefore the profits of American industry this year have been vastly greater than in 1932 or 1931,—there has been no substantial decrease in unemplovment, nor any appreciable increase in real wages. At the same time, as has been pointed out, there exists widespread federal relief for the unemployed and also for the peasantry, partly by what amounts to a direct dole, and partly by huge expenditures—running into billions —for public works. Sooner or later, these will have to be paid for in one way or another. Today, the rich in the U.S.A. probably pay less taxes than the rich in any other country of the western world. But if the debts now being incurred for relief are paid, a large proportion of the money will have to be extracted from the rich since only they will have the bulk of the money needed for payment. Therefore, when the debts now being contracted fall due, we may expect a new severe crisis in the United States. Then capitalism, now being nurtured into new vigor by the NRA codes, may be in position to demand its pound of flesh—blood and all. And that would be Fascism without any sugar-coating.

Consequently, the vote on the New Deal next week will be a significant chapter in American history. Many, to be sure, will vote for it because of the relief it now provides. Some even regard it as radical! Which, as John T. Flynn put it some months ago in *The Forum* (of New York City) is "one of the strange phenomena of our time." For, as he added, if it "should prove successful. . . it seems quite clear that we should find we had marched not to the left, but quite a distance to the right."

To vote against the New Deal by voting Republican would, on the other hand, be merely the equivalent of jumping from the frying pan into the fire,—for the only part of the Roosevelt policies that the Republicans really oppose is the present widespread relief to the unemployed! Which would probably mean the more imminent advent of Fascism in the sublime interests of law and order! W.B.

Italian Aircraft Corporation to Push Sales in China

A Tokyo message Oct. 27 stated that Italy is contemplating taking an active part in the international competition for the sale of aircraft to China. Four large factories in Italy, the Fiat, Bretta, Caproni and North Italy Hydroplane companies have recently established a syndicate at Milan, for the sale of Italian planes to foreign countries with six million lira as capital. The chief object of the formation of the syndicate is reported to be the desire to push the sales of Italian planes, accessories and arms to China.

British Bombers with Gun-Turrets

The British Air Ministry to Oct. 27 placed a substantial order with the Norwich firm of Messrs. Boulton & Paul for a large range of biplane bombers equipped for defence against hostile aircraft. Each machine will be fitted with a mechanically operated gun-turret which works like a turret on a battleship.

China's Unfavorable Trade Balance Was $35,793,084 for First 9 Months of 1934

China recorded an unfavorable trade balance of $35,793,084 for the month of September, bringing the total excess of imports for the first nine months of the year to $305,908,282, the Monthly Returns of Foreign Trade, of the Chinese Maritime Customs show.

The total net imports during the month under review were valued at $77,482,316 while the net exports, were $41,689,232. The total net imports and exports during the months were valued at $119,171,548, bringing the total value of foreign trade for the first nine months of the year to $1,194,319,914 as compared with $1,522,308,126 for the corresponding period a year ago.

The decrease in the total value of China's foreign trade in the period under review is accompanied by a decrease in the excess of imports over exports. During the first nine month period of 1933, the unfavorable balance was $604,296,060 as compared with $305,908,282 this year.

The import of $820,087 in silver coins was the sole incoming shipment of gold and silver during the month. The total value of gold and silver exported during the month was $48,959,860, bringing the nine-months total to $187,009,974. The figures include value of silver bars etc., but do not include subsidiary coins and banknotes.

A total of 5453 vessels entered from and cleared for ports abroad during September. They have a gross tonnage of 3,583,225 tons. The figures for the first nine months of the year total 55,980 vessels of 33,627,668 tons entered from and cleared for abroad.

THE GIST OF JAPANESE PRESS OPINION

How to interpret the report to be made by the British Industrial Mission now returning after its inspection of Manchukuo, and the Indian political situation after the resignation of Mahatma Gandhi are the two interesting problems before Britain. We hope for the their success with both missions.—*Tokyo Miyako.*

The Latham report on Japan carries quite a proper cognizance about her condition. It points out her growing excess of imports over exports and her ever necessary dependence on foreign products for her industrial material. This is proof that Japan's advance in export is not a menace to the foreign interests.—*Tokyo Jiji.*

Encouraged by the recent elevation of the Italian Legation in China to the status of Embassy, China proposes Sino-Japanese exchange of Ambassadors instead of Ministers. Surely such elevation was what Japan decided long ago but was prevented by China's anti-Japanese agitations. Termination of this attitude must precede such proposal.—*Tokyo Hochi.*

Whether America will recognize Japan's abrogation of the Washington Pact, determines the fate of the pourparlers in London. If America opposes such termination, she misunderstands Japan's real policy and for elimination of such misimpressions political agreement is needed.—*Osaka Asahi.*

At the London Pourparlers just opened, Japan should be on guard against the possible introduction of political problems and against the possible joint opposition of America and Britain to the Japanese plan of disarmament. Japan's formula, being the best to guarantee the real world peace, she should stand by that policy.—*Tokyo Chugai.*

The difficulty of the London pourparlers lies not so much in Japan's claims for termination of the Washington Pact and for parity of State defence right as in technical problems of warship type and size over which Powers are so widely split in opinion. We may rely on Japan's stand, which has the unanimous popular support.—*Tokyo Nichi Nichi.*

That no Power should possess armament beyond the scope of necessity for defensive operations, is the sum and substance of Japan's guiding principle adopted at the disarmament problem. Once this is approved by America and Britain if they really desire disarmament, everything will go right.—*Tokyo Miyako.*

The disarmament policy outlined by the Japanese delegate at the pourparlers has the unanimous support of the public.—*Tokyo Miyako.*

No international assembly can be more significant and of a nobler character than the Red Cross Assembly which has opened in this city. Nor could any more timely conference be held now in view of the apparent decline of peace movements in the world. Japan should at this opportunity make herself better understood by the world.—*Tokyo Jiji.*

The situation in the agricultural districts demands prompt attention. There are provinces in the northern part of the main island where conditions are the worst in years. There are two important causes for the impoverishment of the agricultural districts. One is the poor rice crop. The other is the slump in the price of cocoons.—*Tokyo Jiji.*

The decision of the Cabinet to enforce the plan for reform of the Japanese administrative machinery in Manchukuo in spite of the opposition of the Kwantung Government does not necessarily mean that the issue has been completely settled.—*Tokyo Kokumin.*

Two lessons are to be learned from the Manchurian reform trouble: Necessity for greater freedom of press and the importance of maintaining official discipline at all costs.—*Tokyo Hochi.*

It would be a gross mistake to conclude that the military were unentitled to discuss politics. When Soviet revolutionary ideas are now menacing every phase of national existence, thus necessitating a defensive campaign, popularization of State defence is a matter of national need.—*Tokyo Kokumin.*

It is unfortunate that the Fifth Chinese Plenum postponed on account of some disagreement with the Cantonese elements. This postponement upsets the Nanking Government's plan of national unification, and, what is worse still deepens estrangement between Nanking and Canton.—*Tokyo Nichi Nichi.*

How Japan-conscious the Philippines have become with independence from the United States in prospect was made evident when a University of the Philippines law professor set forth the view that the future of the Islands lies with its powerful Orriental neighbor to the north.—*Rengo.*

Japan Rejects Batavian Demand for Sugar Purchases

Recent advices from Tokyo state that while the Japanese Government is not necessarily opposed to the importation of Javanese sugar, it is resolved to reject the present proposal of the Netherlands Indies delegation at the Batavia parleys. Japan is asked under the present proposal to buy 200,000 tons this year and 500,000 tons each in the following three years. She is also asked to curtail planting in Formosa and the Mandated Territory in the South Seas. If production in a third country with whom Japan has special relations (by which is meant Manchukuo) increases, production in Formosa is to be reduced proportionately. Since this is intervention in domestic administration, the Japanese Government is unable to accept the proposal under any condition.

Japan Takes Increasing Share of U. S. Cotton

Japan is taking an increasing share of United States cotton exports while shipments to Europe are declining, the U.S. Department of Agriculture announced Oct. 27. The total cotton exports from America this season are 48 per cent below last year and 38 per cent below the five -year seasonal average.

***

Chinese Cotton Industry Threatens to Close Down as Protest

Leaders of the Chinese cotton industry are threatening a complete closedown of all Chinese cotton mills in the country unless the Ministry of Finance cancels its proposed increase of the consolidated tax rates.

The threat was result of a general meeting of the national assembly of the Chinese Cotton Mills' Federation held at its Avenue Edward VII headquarters to meet the situation. It was decided to take the drastic action in the event the Ministry fails to change its policy.

Eight representatives were sent to Nanking to interview the Ministry and appeal to the National or other interested organs to present the cause of the cotton mill operators.

In a manifesto the federation pointed out that it has already suffered considerably from the reduction of import duties on Japanese cotton yarns and that the proposed increase in consolidated tax would simply ruin the industry, considered one of the biggest in this country.

The federation also announced its strong determination to oppose the tax increase at all costs.

According to Kwok Sun, general manager for the Wing On Cot on mills, the Ministry of Finance has decided to reconsider its decision to increase the consolidated tax. Mr. Kwok's statement is not confirmed.

***

Sharp Decline in British Cotton Exports

The total exports of British cotton piece-goods in 1933 (at 2,117 million linear yards) showed a decline of 186 million yards, or eight per cent, as compared with 1932, states the Board of Trade *journal*. Last year's figures, however, still compare favorably with 1931, exports being up by 326 milion yards, or 18 per cent

Fifth National Kuomintang Congress Postponed; Gen. Chiang Kai-shek Leaves Peiping Hospital

High lights in the Events of the Week;

1. **General Chiang Kai-shek Found in Sound Health**
2. **Manchurian Volunteers Again Become Active**
3. **Panchen Lama Will Not Visit Pailingmiao**
4. **More Red Strongholds in Kiangsi Captured**
5. **Government Troops Nearing Changting**
6. **General Chen Chi-tang Calling Another Conference**
7. **Chairman Lin Sen Visits Ningpo and Fenghua**
8. **Army Officers Forbidden to Have Foreign Wives**

The Standing Committee of the Central Executive Committee of the Kuomintang decided October 25 to postpone the Fifth National Kuomintang Congress scheduled to open in Nanking on November 12. The Committee, however, failed to fix a definite date for the opening of the Congress The Plenary Session of the Central Executive Committee of the Kuomintang will open at Nanking on December 10, when the date for the convocation of the National Congress will be fixed. The decision to postpone the Fifth National Kuomintang Congress was taken in response to requests from party organizations throughout the country and from such important military leaders as General Chiang Kai-shek, Marshal Chang Hsueh-liang and General Chen Chi-tang.

A full explanation for the postponement of the Congress was made by President Wang Ching-wei at the Memorial Service of the Central Party Headquarters October 29 before a large gathering of high party and government officials. President Wang stated that those military commanders who are busily engaged at the front in the important task of suppressing communist-banditary have jointly requested the postponement owing to the fear that their absence from their posts to attend the Congress may result in renewed activities by the Communists. During the winter, however, President Wang pointed out, a plenary session of the Central Executive Committee will be held which will decide on the date of the National Congress as well as confer on the most pressing problems the country is facing.

Commenting on the postponement of the Congress, the *Central China Daily News* says:

"China to-day has reached such a stage that further internal disturbances would spell the ruin of the country. In the past the party leaders have not been co-operating closely with the Central Government. These leaders must realize their responsibility to the nation. The Central authorities are doing their utmost to bring about real unification of the country. These party leaders must accept the good will of the Government and forget about their past personal grievances. After all, national welfare must come before personal ambitions. We sincerely hope that the postponement of the Fifth Congress will bring these non-cooperating party leaders back to their senses."

Wang Ching-wei Optimistic on Situation

Interviewed by the *Chekiai Agency's* correspondent at Nanking October 24, Wang Ching-wei, President of the Executive Yuan, gave an optimistic view of the situation. He said that the prospects for closer unity and more sincere co-operation among the various leaders in the country were brightened, as a result of their realization of the paramount necessity of united efforts in coping with the present national crisis. With the success of the Government's campaign against the Communists in Central China, President Wang expressed the belief that pacification and unification of the country under the authority of the National Government is near at hand.

General Chiang Kai-shek Found in Good Health

Entering the Peiping Union Medical Hospital night of October 25 General Chiang Kai-shek, President of the Military Affairs Commission, had undergone two medical examinations, as a result of which, it has found that the General is in generally good and sound health, although he has for many years suffered from a mild indigestion evidently due to the continued strain of heavy work. He left the hospital Oct. 31. Madame Chiang Kai-shek, in an interview, stated she and General Chiang came to Peiping for medical examination at the Peiping Union Medical Hospital, a matter of routine which they undergo every five years. Referring to the bandit situation in Kiangsi, Madame Chiang expressed confidence that the "Reds" there will be totally liquidated before the end of this year.

Leaders Converge on Peiping

With the presence of General Chiang at Peiping, many military and political leaders in North China are converging on the Old Capital to seek interviews with the Generalissimo. General Sung Chi-yuan, Chairman of Charhar, is now in Peiping, while General Fu Tso-yi, Chairman of Suiyuan, and General Hsu Yung-chang, Chairman of Shansi, are coming there shortly. In honor of the visiting Generalissimo, a joint function is being planned by a group of North China military leaders, but the date for the party has not been definitely decided.

Dr. Wang Chung-hui, judge of the Hague Court of International Justice, who arrived at Peiping from Nanking October 27 following a trip as a voluntary emissary to the Southwest, made his first call on General Chiang Kai-shek at the P.U.M.C. morning of October 28. During the interview, Dr. Wang is said to have conveyed to the Generalissimo the opinions of leading members of the Southwest, notably Hu Han-min, with regard to problems confronting the National Government in Nanking and the Communist-suppression campaign. Dr. Wang expects to stay at Peiping for three or four days more before returning to Shanghai by way of Nanking.

General Chiang Unable to Visit Inner Mongolia

General Chiang Kai-shek is preparing to give a reception to the several Mongolian princes now resident in Peiping. General Chiang has been invited to take a trip to Inner Mongolia but he would not be able to go on account of the necessity of remaining at Peiping for the time being for health reasons. The Generalissimo, however, has commissioned Hsiao Chen-ying, a member of the Peiping Branch of the Military Affairs Commission, to visit Inner Mongolia in his stead, assuring his well-wishers among the Mongolians his deep interest in their political and econoimc welfare in that part of China.

Chao Tai-wen, representative of Gen. Yen Hsi-shan arrived at Peiping October 28 from Taiyuan in response to a summons from General Chiang Kai-shek. According to Mr. Chao, General Yen is still in his native villega on account of his father's sickness. He added that the division of Shansi troops ordered south by General Chiang Kai-shek has already left for its destination in Kiangsi.

Dr. H. H. Kung Sees Early Unity of the Country

As a result of the explanations made by Dr. Wang Chung-hui, all misunderstandings between Nanking and the Southwest had been cleared away, declared Dr. H. H. Kung, Vice-President of the Executive Yuan and concurrently Minister of Finance, in an interview with the press at Shanghai October 25. Dr. Kung said that differences of opinion and polices often existed between the leaders and in fact were common occurrences, but when frankly discussed and satisfactorily explained, they could be easily smoothed out. Dr. Kung scouted the rumors which recently gained circulation as a result of these alleged differences. Thanks

to the efforts of Dr. Wang, the Finance Minister expressed the belief that unity of the country would soon be achieved.

Manchurian Volunteers Again Active

With the avowed determination of fighting the Japanese military to the last, three volunteer corps in Manchuria have again raised their banners of independence and their influence has spread like wild fire, according to a *Central News* report from Tientsin. At present, no less than 2,000 volunteers have decided to lay down their life for the cause of independence under the command of three leaders, including Yuan Chin-po, Wang Shao-tung, and Chao Ching-chi.

War Zone Committee Inaugurated Nov. 1

The War Zone Readjustment Committee in North China was inaugurated on November 1. The Committee consists of seven members, representing the various high Government organs in North China. They include: Hsu Tsi (representating the Hopei Provincial Government,) Yoh Kai-hsien (The Charhar Provincial Government,) Chu Shih-chin (The Peiing Branch Military Affairs Commission,) Li Cha-yi, (The Peiping Political Affairs Readjustment Commission,) Ying Tung (The Peiping-Liaoning Railway Administration,) Ying Ju-ken (Administrative Inspector of the Chihsien-Miyun Area) and Tao Shang-min (Administrative Inspector of the Luantung Area.) The affairs of the Committee will be in the charge of a standing committee of three: Li Cha-yi (who is to be responsible for the entire affairs of the Committee,) Ying Tung (ot dael with foreign affairs) and Chu Shih-chin (to be responsible for the training of the Peace Preservation Corps of the War Zone.)

Japanese Active in Mongolia

According to information received at Peiping from Pailingmiao, Japanese are extremely active there and preparations are now being made by the Japanese to establish a hospital at Pailingmiao in an attempt to win the favour of the Mongolians. It is understood that the population in Mongolia has decreased by 20 per cent within the last five years. The main reason is due to the unhealthy way of living of the Mongols.

The Mongolian Local Autonomy Political Affairs Council is arranging for the establishment of a number of schools in Inner Mongolia for the training of the young lamas. The Council is also making plans for a dairy-farm, a woollen factory and a cannery as well as promotion of afforestation in Mongolia.

The Hopei Provincial Administrative Conference opened Tientsin, October 25, with 109 Provincial and District officials in attendance. Among those present were the members of the Hopei Provincial Government Committee, the Provincial Department Heads, experts attached to the Provincial Government, various District Magistrates, and Directors and Deputy-Directors of various Peace Preservation Bureaux. The Conference was to discuss administrative reforms in the Province.

Measures for shortening the time on the Peiping-Liaoning through train service will be introduced on November 1, according to Yin Tung, Managing-Director of the Railway. He said that as an express service is now being operated on the Peiping-Shanhaikwan section, the new measures will only affect that section of the line. By arrange- the train service will be reduced to 17 hours, he stated.

Preparations are being made for the erection of a radio broadcasting station of Tientsin. A sum of $30,000 will be appropriated for initial expenses. The Hopei Provincial Department of Reconstruction is attending to the task of selecting suitable location for the station and making other arrangements.

Chinese and Japanese Students Fight at Tsingtao

Chinese and Japanese students of the Tsingtao College started a hand to hand fight October 26 and many were injured on both sides. The trouble developed when a Chinese student was beaten by a Japanese student as the result of a quarrel. Other Chinese and Japanese students soon joined in the fight which developed into a free-for-all. The students of the Shantung University have come to the rescue of their fellow students in the Tsingtao College and a general strike has been declared as a protest against the disturbance.

About 400 bandits, armed with rifles and two trench mortars, who call themselves soldiers under the ex-bandit leader Liu Kwei-tang, have penetrated into Charhar and are terrorizing the districts around Yenching. Troops have been sent to Yenching from Kalgan for the suppression of the bandits.

More Red Strongholds in Kiangsi Captured

Ningtu, another strategic "Red" stronghold in southern Kiangsi, has been captured. It was occupied by the 6th Division under Lieut.-General Chou Yen of the Route Army October 25, according to an official bulletin issued by the Nanchang Military Headquarters. The recovery of Ningtu constitutes the third noteworthy victory scored by the Northern Route Bandit-suppression Forces in October. The 3rd Route Army under General Chen Cheng occupied Shihcheng, south-eastern Kiangsi, on the 6th; the 8th Column under General Chou Hun-yuan took Hingkuo, southern Kiangsi, on the 14th.

The "Red" attempt to penetrate the defence works of the Southern Route Bandit-suppression Forces in the extreme south of Kiangsi in their flight westwards has been thwarted by units of the 1st Column under General Yu Han-mou, according to an official report recived at Canton. Commancing on the 19th, five "Red" army corps under the personal command of Chu Te, Mao Tse-tung, Peng Te-huai and Lin Piao attacked the defence lines of the 1st Column of the Hanfang, Yuehling and Niudling. They were successfully Southern Forces at Chungpanshih, Anyuan, Sinfeng, Sintien, repulsed by the Kwangtung forces.

A *Reuter* report from Canton October 26, states that the communists have caused considerable disturbances in the Anyuen and Shunfoong area during the past few days. but with the arrival of troops of the Kwangtung First Army Corps peace was restored. A serious encounter took place October 27 near Koopei, north of Anyuen, when a large number of bandits were killed. According to the latest reports from General Yu Han-mow, who is directing the anti-red campaign in that section, the outlaws threatening Anshik have been dispersed. The remnants are now retreating towards Taitongpu with government troops in hot pursuit.

Swooping down from southern Kiangsi upon the northern Kwangtung border end of last month, 90,000 communists made an unsuccessful effort to penetrate into Kwangtung with the object of making for southern Hunan to effect a junction with the Reds in Szechwan. Defeated by the Canton troops in engagements at Chungshek, Anyuan and Anshik, the communists made another desperate attempt October 28 through the Government line from Tayu to Nanhsiun, but again failed.

Work on Nanchang Bridge Begun

Work on the construction of the projected Chung Cheng Iron Bridge across the Kan River between Nanchang and Niuhsing Station, on the Kiukiang-Nanchang Railway, was started November 1. The bridge, which is 1,080 meters long and 8 meters wide, will be named after General Chiang Kai-shek (Chiang Chung-cheng) in recognition of his meritorious services in the bandit-suppression campaign in Kiangsi. The total cost is estimated at $640,000, of which $200,000 will be provided by the Nanchang Provincial Headquarters of the Military Affairs Commission, and the remaining $440,000 by the Kiangsi Provincial Government.

Power Plant Planned For Nanchang

Unter the auspices of the China Finance Development Corporation a strong power plant will soon be established at Nanchang. T. L. Soong, manager of the Corporations is now in Nanchang, making investigation into the matter. Originally the capital was fixed at $3,000,000 but it has now been found that the sum is not sufficient. Mr. Soong is now drawing up new plans for the power plant.

Government Troops Nearing Changting

The vanguards of the Government troops are only about 27 li (less than nine miles) from the walled city of Changting, important Red stronghold in western Fukien and the fall of the city is expected in the course of the next few days, according to information from Foochow. An enveloping movement is now being carried out by the units of the Eastern Route Bandit-Suppression Forces under the personal

command of General Chiang Ting-wen with the troops of the 9th Government Division launching the frontal attack.

According to the confessions of captives, the "Reds" at Changting, have been cut off from supplies following the recent occupation of Hotien, a strategic point 13 miles south-east of Changting, by the Government troops. Through the enforcement of the economic blockade on the Ting River, which flows southwards to Swatow via Shanghang, the marauders at Changting are short of daily necessities.

Woman Communists Executed at Foochow

Five woman Communists, recently arrested in Amoy, after having been court-martialled by the Authorities at Foochow were executed October 25. They were convicted on the charge of being engaged in reactionary activities.

Marshal Chang Sees Great Future in Northwest

A stirring appeal to the nation to direct its attention to the development of the northwestern provinces was made by Marshal Chang Hsiao-liang in an interview with a group of Chinese press representatives at his Wuchang Headquarters October 24. The great need of the Northwest, in the opinion of Marshal Chang, is the development of the means of transportation. Many of the Communication projects are now being pushed by the Government. The Lunghai Railway is rapidly completing the section between Tungkuan and Sian, which is expected to be ready for service by the end of this year, and the National Economic Council is carrying on highway projects, including the Sian-Lanchow highway. These are merely initial steps, the Marshal said, and much remains to be done. He emphasized the need that the people and the Government should hereafter pay greater attention to these border provinces than has hitherto been the case.

Sun Yin-chieh, an important Communist leader whose plottings to create disturbances in the Yangtsze Valley were nipped in the bud by his timely arrest by the military authorities at Hankow, was executed by order of the Garrison Commander of the Wuhan Area, October 23. Sun was a returned student from Russia and served in the "Red" Army as an intelligence officer and organizer.

General Ho Chien, Chairman of Hunan, left Changsha for Hengchow in southern Hunan October 27 to inspect defence works. General Liu Chien-hsu, a subordinate of General Ho, has also left for Yungchow and Juchow in southern Hunan to inspect the defences.

A military conference of ranking Kweichow, Kwangsi and Hunan commanders was held at Shihtsien, eastern Kweichow, October 22 to work out concrete measures for the suppression of the "Reds" under Hsiao Ko and Ho Lung. Among those present were General Wang Chia-lieh, Chairman of Kweichow, General Liao Lei, Commander of the 7th (Kwangsi) Army, and Lieut.-General Li Chio, Acting Commander of the Hunan Provincial Peace Preservation Corps.

Dispersing into small bands, the remnant outlaws under Hsiao Keh have been hiding in the hills between Yuking and Shihtsien. Their attempts to cross the Wu Kiang (River) to effect junction with the bandits under Ho Lung, have been thwarted by the combined Hunan and Kweichow troops.

Kweichow Communists Meet Reverse

According to latest advices from Kweigang, the strength of the Reds under Hsiao Keh has been reduced to 600 men. Jen Pi-shih, the "Soviet Chairman for Kweichow," was seriously wounded during recent operations. During recent operations the Reds have suffered no less than 3,000 casulaties. General Wang Chia-lieh, Chairman of Kweichow, is now co-operating with the Kwangsi troops in suppressing and during away the Reds from Kweichow. He is now at Shihnan directing operations in person.

Regarding the bandit situation in Kweichow, General Li Tsung-jen Commander of the Kwangsi Provincial forces, states that the "Reds" under Hsiao Keh were originally composed of 12,000 men who were equipped with 4,000 rifles, 40 machine-guns and three trench mortars. Since their flight to Kweichow, the outlaws have been defeated more than a dozen times by the combined Hunan and Kwangsi forces. Their number has now been reduced to 2,000 having 1,000 rifles among them. In view of their heavy loss, it will be difficult for the marauders to cross the Wu Kiang (River) northwards and effect junction with the "Reds" under the notorious Ho Lung in northern Kweichow.

General Chiang Extends Power to Szechuen

For the first time in many years a commander of Szechuen troops is taking orders from officers outside that province. General Kuo Ju-tung, a divisional commander in Szechuen has recently received instructions from General Chiang Kai-shek to move out his troops from Szechuen and to join in the anti-Red suppression campaign in Hunan. General Kuo's troops are now on the move and they are expected to arrive on the Hunan front shortly. General Kuo is now at Peiping and will shortly leave for Hunan after receiving instructions from the Generalissimo.

General Liu Hsiang, Commander-in-Chief of the Szechuen Army, left Chengtu for Chungking October 29 en route to Kiangsi for a personal meeting with General Chiang Kai-shek to report on the Communist situation in Szechuen.

Prior to his departure he has given orders for a general offensive against the Reds in northern Szechuen. The Communists are shortening their defence lines in anticipation of the attack.

General Chiang Kai-shek has issued an order to, Szechuen instructing that the network of highways linking up Kweichow, Szechuen and Hunan should be completed within six months. The Generalissimo declares that failing to have the roads completed within the time limit would be construed as a violation of his orders and would be dealt with as such.

The representatives of the various public bodies in Szechuen have arrived in Nanking and they are appealing to the Government requesting that a military expedition should be sent to Szechuen for the suppression of the Reds in that province.

Under orders of General Chiang Kai-shek a motor car highway linking up Nanking with Szechuen is now under construction. It is understood that the Generalissimo has set a time limit for the completion of the road to facilitate transportation in central China.

Panchen Lama Will Not Visit Pailingmiao

According to a telegram from Taiyuan, October 26. the Panchen Lama is leaving for the Alashan Banner within the next few days to continue his preaching. After completing his lectures at the latter Banner he will proceed to Chinghai and remain there until next Spring when he will return to Tibet. The telegram states that in spite of the earnest request of Prince Yun of Pailingmiao, the Panchen Lama has decided not to visit that place in view of the heavy snow in Inner Mongolia.

General Huang Mu-sung, Special Envoy of the National Government to Tibet, has completed his mission in Lhasa. However, he will not leave Lhasa until after the arrival of the Anchin Hutuktu in the Tibetan capital. General Huang is teaching the Three People's Principles of the Kuomintang to the Lamas at his leisure hours.

Reconstruction in the North-west

Air-mail and passenger service on the newly arranged 800-meter airway between Lanchow, provincial capital of Kansu, and Paotow, western terminus of the Peiping-Suiyuan Railway, in western Suiyuan, was scheduled to be inaugurated on November 1. At the beginning, one round trip will be operated every week.

By arrangement between the Suiyuan and Sinkiang Provincial Governments, omnibus service on the entire Suiyuan-Sinkiang Inter-Provincial Highway will be resumed on November 1. When an omnibus arrives at Hami eastern Sinkiang, from Kueihua, provincial capital of Suiyuan, passengers will alight and board a special omnibus, operated by the Sinkiang Provincial Government, for the journey westwards to Tibua, provincial capital of Sinkiang.

January 1, 1935, has been fixed by the Lung-Hai Railway Administration as the date for the inauguration of its entire western extension between Tungkwan, eastern Shensi, and Sian, provincial capital of Shensi. Train service on the extension is now being operated as far as Lengkow, 30 miles east of Sian, from Administration to complete all engineering work along the section by the end of the year.

Lei Pao-hua, Provincial Commissioner of Reconstruction for Shensi, left Sian October 24 for Shanghai to conclude a contract with Shanghai banking circles for funds for the

conservancy of the Wei Ho (River) and advancement of loans to the farmers in Shensi. Mr. Lei will also negotiate with the National Reconstruction Commission at the Capital relating to the installation of an electric power plant in Sian.

General Chen Chen-tang Calls Military Conference

For the purpose of accelerating the anti-Red campaign in northern Kwangtung General Chen Chi-tang has decided to call a military conference in the near future. Telegrams have already been sent to the commanders at the various fronts instructing them to come to Canton as soon as possible.

Tong Shao-Yi's Resignation Rejected

The resignation of Tong Shao-yi from his post as member of the Kwangtung Provincial Government has been rejected by the South-west Political Council, although he is allowed to resign from the Magistracy of Chungshan district and other posts. Mr. Tong has been given two months' leave to recuperate his health.

Under orders of the Kwangtung Provincial Government a temporary moratorium has been declared by the Kwangtung Provincial Bank. Beginning from Oct. 25 the said Bank has suspended all payments. The step is taken to consolidate the currency situation in Kwangtung.

General Pai Chung-hsi, vice-commander of the Kwangsi Forces, is coming to Canton for the second time in the near future to exchange views with General Chen Chi-tang regarding the military situation in the South-west. The Kwangtung and Kwangsi authorities are now co-operating fully in the suppression of Communists under Hsiao Keh.

Kwangtung-Kwangsi Telephone Service

The Canton authorities are drawing up measures for the establishment of a long distance telephone service between Canton and Wuchow is to be established and gradually the line will be extended to Nanning.

Lin Sen Visits Scenic Spots in Ningpo

Lin Sen, Chairman of the National Government, arrived at Ningpo from Shanghai Oct. 28. Immediately after arrival he proceeded to Fenghua where he visited the various scenic spots. He returned to Shanghai Oct. 30.

The formal transfer of the Ministry of Justice from the jurisdiction of the Executive Yuan to that of the Judicial Yuan took place Oct. 23, when President Chu Cheng, concurrently Minister of Justice, and Dr. Hsieh Kuang-sheng, Political Vice-Minister, officially took over the control of the Ministry. Dr. F. T. Cheng, the retiring Political Vice-Minister, acted on behalf of Dr. Lo Wen-kan in performing the transfer ceremony.

General Huang Shao-hsiung, the incumbent Minister of Interior, will shortly be transferred to Chekiang as Chairman of the Chekiang Provincial Government to succeed Generral Lu Ti-ping, it is reported in Nanking. General Huang's appointment is expected to come up for discussion and action at the next meeting of the Executive Yuan. Owing to ill-health, General Lu has on the repeated occasions tendered resignation from his post, which, it is understood, will be accepted by the National Government.

Dr. H. H. Kung, the Finance Minister, is leaving for North China this week by aeroplane to inspect the dyke repairing work along the Yellow River as well as to attend to the financial administration in North China. The Finance Minister will also visit Honan and Shansi.

Army Officers Forbidden Marrying Foreign Women

The *Chekiai Agency* reports that a group of high Govermnent officials has submitted a joint petition to the Executive Yuan, requesting that a mandate be issued by the National Government strictly prohibiting Chinese army officers from marrying women of foreign nationalities. Those who are already married to foreign women should ordered to divorce their wives within a stated period of seven months after the issuance of the mandate, the petition recommends.

Network of Air Routes in China Planned

The Eurasia, the Southwest and the China National Aviation Companies are reported to be pointly drawing up plans for the establishment of a net work of air routes over China. At present the three companies concerned are operating eight lines in the country namely: 1. Shanghai-Peiping line; 2. Shanghai-Hankow line; 3. Hankow-Chungking line; 4. Shanghai-Canton line; 5. Shanghai-Sinkiang line; 6. Peiping-Canton line; 7. Lanchow-Paotouchen line and 8. Canton-Lungchow line. The three companies are now planning to lik up these lines at different centres. If their plans work out in a satisfactory manner the Peiping-Canton line will be linked up with the Shanghai-Sinkiang line at Chengchow while the Shanghai-Hankow line will be linked with the Peiping-Canton line at Hankow.

N. R. C. Gets Loan For Nanking Plants

The National Reconstruction Commission of the National Government in Nanking has obtained a loan of $3,700,000 from leading Chinese banks in Shanghai. The loan will be devoted for the expansion of the two power plants in Nanking and for the construction of the Hwai-Han Railway.

According to information from the Commission, the Nanking-Wuhu section of the Kiangnan Railway will be completed before the end of this year. Railway stations are now being built both at Nanking and Wuhu and no less than 32,000 workers are being employed on the construction work. The southern terminus of the Kiangnan Railway is Chapoo in Chekiang.

The newly constructed highway linking up Wuchin (Changchow) and Penniu along the Nanking-Shanghai Railway, south of Chinkiang, will be opened to traffic on November 1. The new route covers a distance of 11 miles.

Train service on the Wuhu-Tunki Railway, in southern Anhwei, was opened to traffic Nov. 1. This line is part of the projected south-eastern railway linking up Nanking with Shao-an, along the Fukien-Kwangtung border.

The new building of the Central Bank of China at Hangchow has been completed. It is the largest bank building in that city.

The new radio station at Loyang, Honan, constructed by the Ministry of Communications, has been completed and is ready for operation.

Forgery of passports or signatures on passports of any Foreign Minister or Consul stationed in China with a view to causing injury to the public or to any individual should be dealt with in accordance with Article 229 of the existing Criminal Code of the Republic. This ruling has just been handed down by the Ministry of Justice in reply to an inquiry from the 2nd Special District Court in Shanghai.

Two students, one from the National Tsiughua University and the other from the National Central University, are to be the recipients of scholarships for post-graduate study in Italy, (offered by the Italian Government on the recommendation of Premier Mussolini) it has been decided by by the Ministry of Education.

According to customs returns the total amount of wine imported during the past nine months was worth $2,542,550 while the total amount of tobacco imported during the same period was worth $26,049,492. Apart from wine and tobacco other luxuries imported during the same period also piled up into a huge sum. Imitation pearls and diamonds imported were worth $256,252.

The execution of the first female red pill addict in China took place at Lunghua Oct. 24 when Mrs. Chang, a native of Nantungchow and 29 years of age, was shot in the airfield there to set an example to her sex. Mrs. Chang airfield there to set an example to her sex.

Italy Names Signor Vicenzo Ambassador to China

The National Government Oct. 30 signified its assent to the appointment of Signor Lojacona Vicenzo, who has been serving as Italian Ambassador to Turkey as Ambassador to China. The National Government at the same time issued a mandate appointing General Liu Wen-tao, Minister at Rome, China's first Ambassador to Italy.

Noteworthy Reconstruction Work in Kiangsi Province

BY S. Y. CHI

AS A RESULT of the adoption by Generalissimo Chiang Kai-shek of the "go-slow" policy so consistently and wisely maintained throughout the entire course of the 5th Communist-bandit suppression campaign in Kiangsi and its neighborhood ever since its commencement in the middle of the last year, significant progress—considerably significant in comparison with that of previous records and experiences—has been accomplished in the course of approaching the final extermination of the Red which has been the constant cause of disturbances and responsible for wanton destruction of life and property in the Central China provinces during the past eight years.

Those decisive battles fought during the last quarter of the year 1933 at Ihuang, Hsuwan, Tsechi, Lichuens, Kinch, Tsungjen, Tehshengkwan, Tahsiungkwan and scores of other points in Eastern Kiangsi, have absolutely demoralized the whole rank and file of the Red forces, formed by the best units of the Red 1st, 3rd, 5th, 7th and 9th army corps, who had sustained irretrievable losses in the above-mentioned battles. These overwhelming victories coupled with the construction of a strong corridor of block-houses to safeguard the front lines against any surprise attacks from the Red bandits, the extension of thousands of kilometers of modern highways to facilitate military transportation and communication, and the tightening up of the economic blockade, have caused the Red organizations to collapse very rapidly, particularly during the last ten months.

Moreover, the capture of Kwangchang and Lungkan in Southern Kiangsi and the synchronous occupation of Tai-ning and Kienning in Western Fukien by the Northern Route and the Eastern Route of the Bandit Suppression forces respectively in April and May last, definitely broke down the so-called "life line" of the Reds' defense. Their repeated efforts to regain the lost positions turned out all in vain. Henceforth the despotic terrorism of the Red scourge is bound to hear the crack of doom!

Red Units Turn Over to Government Side

Realizing that serious consequences and grave adversity is fast approaching with no avenue of escape left for them, many Red units have actually turned over to the Government side at opportune times and joined the Government drive against the outlaws. Millions of poor farmers, who were forced to live a life of banditry and barbarism, have poured into the refugee centers established behind Government lines whenever a new city was retaken. Such a state of affairs is not only common among the lower class of the Red structure, the blind followers and the private soldiers, but also penetrates into the ruling nucleus of the organic cells of the Red body. The typical instance that shows the existence of such an undercurrent amidst the Reds is told by the surrender in a submissive spirit of Kung Ho-chung in last July and Chang Yi in September.

Being a member of the Central Executive Committee of the Soviet Republic of China and concurrently holding the post as commander of the 5th Division of the Red army, Kung Ho-chung had no doubt a fairly good authority in the affairs of the Red government; while Chang Yi, graduate of the Imperial Military Academy in Japan in 1921, was also commander of the 4th Division in the Red army. Both of them held important positions in the Red ranks and had no doubt a considerable amount of influence amongst them. So, their submission meant something very serious. It shows signs of a total collapse of the Red organization in the not distant future.

Now the drive upon the "bandit area proper" in southern Kiangsi it being greatly intensified by the Generalissimo's last order issued in the latter part of last August to accelerate the extermination of the Red outlaws. The onmarch of the various routes of the Government forces is now kept at full speed. The rapid advances made during the past month are simply amazing.

The consensus of opinion among well-informed military observers here points to the belief that the complete eradication of the Communist menace will be realized by the end of the year in accordance with Generalissimo Chiang Kai-shek's instruction.

***

MODERN HIGHWAYS BRING PROSPERITY TO INTERIOR CITIES

Concomitant with the noteworthy triumph of the bandit suppression campaign in Southern Kiangsi organized and launched under the supreme command of Generalissimo Chiang Kai-shek, President of the National Military Council of the National Government of China, who established his provisional Headquarters in Nanchang two years ago, there has been witnessed an equally remarkable progress in the course of reconstruction of the Kiangsi province, of which a total mileage of more than 8,000 kilometers of modern highways has been completed throughout the province and an equal number of distance of telephone lines installed simultaneously.

Out of the total mileage of 8,000 kilometers completed roads, one-half has been opened to traffic and heavy transportations. Regular bus service is well and efficiently conducted and maintained by the Kiangsi Public Road Bureau. All the Kiangsi sections of the inter-provincial trunk lines to Kwangtung, Fukien, Chekiang, Anhui, Hunan and Hupeh were completed with a daily bus service running direct from Nanchang to the respective adjoining borders, while through traffic communications are being maintained from Nanchang to Hangchow, Chekiang, and from Nanchang to Changsha, Hunan, commenced last New Year Day and last Double Tenth respectively. It cuts the time of journey from one week or so down to that of one day. In addition to providing a speedy communication in traffic and transportation, it will, no doubt, help to bring about general welfare and prosperity to the cities in the interior and to stimulate business between Kiangsi and other provinces.

At present, work is being directed to the carrying out of the later conservancy plan, which is prepared by Mr. Kung provincial commissioner of reconstruction, as a concrete measure to combat future famine resulted from flood or drought calamities. As harvest is nearly over now, millions of peasant labor are being recruited to work on the building of new dykes and on the repairing of the old and wreck ones, extending to hundreds of miles thru-out the entire province.

Poyang Lake Outlet Being Deepened

In order to improve the drainage of the rivers in Kiangsi province, these volunteer labor corps are being concentrated at the various districts to help dredge the river course of the Kan and the Fu rivers. Meantime, steps are taken to deepen the outlet of the Poyang Lake from Hsintse to Hukou. Dams will be constructed at various points to keep reservoirs at times of drought. Afforestation is to be encouraged by competitive methods in a number of 40 hsien or districts of which each is to plant 40,000 trees. The chiefs of the Pao Kia (mutual guarantee corps) in every district are taught how to plant trees along the roads and the riverlets. 1,000 piculs of the aleurites cordata seeds are prepared by government offices for distribution, in case sprouts and young twigs are insufficient. Cash rewards will be given the district that plants more than the required number of 40,000 trees. With the plan fully carried out during the coming couple of months, it is expected that the possible flood in the next spring and drought in the next summer can be successfully prevented.

Nanchang, Oct. 23, 1934.

Chinese Married Men Also Given Protection in Revised Criminal Code

The married man is brought to a status of equality with the married woman in the Chinese Criminal Code by a resolution adopted by the Legislative Yuan in Nanking, Oct. 26. The meeting was devoted to the revision of the Chinese Criminal Code especially the chapters on offenses of seduction or intervention with the guardianship or custodianship of young men and women below the legal age. Following a protracted and heated discussion, a resolution was passed whereby the words "or married men" are to be inserted in the Second Clause under Art. 235 of Chapter 17, of the Chinese Criminal Code. The clause was thus revised to read that those found guilty of seducing married women "or married men" (inserted) into separation from the home will be punished and sentenced to three years' imprisonment. Thus equal treatment will be given by law to women seducing married men into separation from their home and legal wives, as well as men seducing married women into separation from their home and legal husbands.

Trotting Venture Mentioned at Banker's Trial

The affairs of the Ying Hsiang Ziang Race Course, for which a batch of Australian horses was recently imported to Shanghai, were mentioned at the trial at the First Special District Court Oct. 26 of S. H. Loh, director of the Industrial Bank of China who was charged together with Sun Shih-jen with frauds in connection with the Bank's collapse on Oct. 12.

Mr. Loh, in answer to the Court's questions, stated that he was one of the promoters of the trotting venture and contributed about half of its total capital, which amounted to $500,000. The other half of the capital, Mr. Loh told the Court, was raised by a group of foreign financiers headed by an American who had his office on Szechuen Road. Up to the present, about $450,000 had been spent on the venture by them, Mr. Loh said. He emphatically asserted that not a cent of the Industrial Bank of China money had been used to cover his personal loss in the trotting race. He further said that he was also a director of the Chung Yih Finance Corporation, and the Industrial Bank of China was bought over by him and two other Chinese financiers. The latter, however, last year severed their relations with the Bank, leaving him alone in control of the Bank. Mr. Loh admitted that the Bank was not registered with the Government because, he said, it had been already registered when he bought it over.

One of the reasons for the trotting venture proving a failure is that the promoters had been unable to secure a license from the Chinese authorities for operating pari-mutuels at the track.

Barnby's Industrial Mission May Undo the Work of the Lytton Report

BY AURELIUS

The London "Daily Herald" alleges that the British Government is considering the granting of credits on a large scale to Manchukuo as result of the establishment of the Anglo-Japanese Economic Committee at Tokyo.

The paper further maintains that this economic rapprochement is considered in Tokyo as a forerunner to a political rapprochement, or in plain words, as revival of the Anglo-Japanese alliance. Diplomatic circles, according to these reports, are concentrating all their efforts to accomplish this aim. The British Government has meanwhile issued an official denial that the Barnby Mission had any political implications.

THE British Industrial Mission to Manchuria, headed by Lord Barnby, came, saw and delivered its quota of banquet exuberations. Today it is probably on the high seas bound for England, leading in its wake a welter of speculations, an Anglo-Japanese Trade Committee, and at least one fat engineering order in Kirin.

The speculations have centered mainly on the political significance of the Mission. The Japanese press, with justification or not, reported that recognition of Manchukuo will follow the British industrialists' visit. The *Nichi Nichi*, a leading daily, even suggested that the Mission has been dispatched to the Orient in order to offset the effects of Lord Lytton's memorable activities.

Some Japanese, not without inner satisfaction, pointed to an article in the usually well-informed *London Financial News*, which said:

> "Not wholly irresponsible opinion suggests that the Mission is blessed by the Government, that it is the Government's typically British first step downwards to reality where formal recognition of Manchukuo lies, and that such recognition may eventually lead to a resumption of something approaching the close relations which existed between Japan and Great Britain before 1921."

The British press in China has gone to special lengths, as it was expected to do, to deny that the Mission has had any but commercial significance. Thus, the *North China Daily News* said:

> "Mercurial minds in Manchukuo will now have no excuse for misunderstanding the objective of the visiting mission of the Federation of British Industries. The shoemaker sticks to his last. Lord Barnby and his colleagues disclaim political ambitions. Confusion on this point has been natural, for the artless assertions of certain self-constituted mentors of the mission in London must at one time have encouraged the belief that amateur diplomacy, as distinct from commercial courtesy, was a commodity in the travellers' baggage. The visit of the mission can be rightly regarded as an earnest of the friendliness generally felt toward Japan in Great Britain. To suggest that Lord Barnby hopes to act as a solver of problems which have so far baffled the ingenuity of Downing Street is to pay scant tribute to his intelligence."

The same paper also denied that the British Government had anything to do with the selection of Lord Lytton to head the Committee on Inquiry, or that it should be held responsible for the despatch of the Committee to Manchuria.

With these two conflicting views in mind, it is interesting to study the facts to see if the Mission was as blushingly innocent of political designs as it was represented.

On the eve of his departure from London Lord Barnby declared in a letter to the *Morning Post*:

> "The mission which I have the honor to lead to Japan and Manchukuo is not concerned in any way with political questions, which are entirely outside its scope. Neither am I personally qualified to express an opinion on political questions affecting the relations between GreatBritain and other countries."

Lord Barnby Favors Alliance with Japan

As banquet followed another on the mission's arrival in Tokyo, Lord Barnby commenced to entertain a few political ideas. Interviewed on a train bound for Nara, he is reported by two different sources to have declared:

> "Thinking people in Great Britain are desirous of seeing the Anglo-Japanese Alliance resuscitated. There was a time when the British were chary of entering into an agreement with Japan out of deference to the wishes of the United States, but things have changed. The British people today are solicitous for the conclusion of an alliance of amity with Japan, which is not directed against any third country. If Japan wants a new alliance with Britain, I think it can have it more easily than it realizes."

On October 10 the mission left Japan for Manchukuo, where it for the following ten days combined speechmaking with interviews with Japanese and Manchurian officials. Lord Barnby continued to be ecstatic on the subjects of the existing Anglo-Japanese friendship and the prospective friendly relations among England, Japan and Manchukuo, whose existence, one recalls, has not yet been recognized by His Majesty's Government.

On the arrival of the mission in Manchuria, Count Hirotaro Hayashi, President of the South Manchuria Railway Company, made a statement which *inter alia* said:

> "Two important commissions have arrived from abroad since the debut of Manchukuo. One of them was the Lytton Commission to which was attached political significance. The other is the British Industrial Mission led by Lord Barnby.
>
> It was unfortunate that the Lytton Commission differed from our views. However, the Barnby mission has been despatched to this part of the world in full knowledge of the stern existence of Manchukuo.
>
> As the Barnby Mission keeps itself to the practical side of reality, it is, I believe, absolutely free from viewing things here from a political stand-point. What it has observed here will be conveyed to the mission's home country and will be represented in true colors. For this reason, we tender our hearty welcome to the present Mission.
>
> Friendly feelings between the British and Japanese nations were cemented by the Anglo-Japanese Alliance. Though the expiry of the Alliance after a few renewals meant the discontinuation of a political form of cementing, sentiments of reciprocal understanding and sympathy between the two nations have been perfectly preserved. This understanding and sympathy on the part of Great Britain will lead her to her appreciation of the attitude and true intentions of Japan towards the new status in the Far East."

Having concluded their trip in Manchukuo, the members of the mission returned to Tokyo to endure another round of banquets. Meanwhile, however, reports of their Manchurian achievements began to seep into the newspapre pages. The first news was of the franchise obtained by Mr. Brinnel, of the Selection Trust Co. of London, to engage in alluvial mining in Kirin province. The project will involve about $20,000,000, and was realized after discussions among Mr. Brinnel, members of the Mission and the officials of the Manchukuo Government.

It was also reported that Julian Ito Piggott, a member of the mission, offered the Mitsui Bussan Kaisha, Japan's counterpart of J. P. Morgan, to represent British firms in Manchukuo, in sales of construction and mining machinery. Sir Charles Seligman, meanwhile, was conducting negotiations with the S.M.R. officials on the subject of a loan to the Railway, and also a contract for the sale of railroad supplies.

It was, finally, announced that a permanent Anglo-Japanese Trade Council was created for the purpose of adjusting commercial and financial relations between the two countries. One report even suggested that the Council would attempt to divide the world markets in certain types of goods between Great Britain and Japan.

True or not, Koki Hirota, Minister of Foreign Affairs, was reported as lending all possible assistance to the conclusion of contracts between the mission and the Manchukuo and Japanese concerns. The Yomiuri, one of leading Tokyo dailies, suggested that Mr. Hirota's efforts were prompted by his "sincere wish to rectify the distorted undestanding of Manchukuo brought about by the Lytton report, and to give firm recognition of the fact that the open door policy and the principle of equal opportunity are firmly maintained in Manchukuo."

The Circumstantial Evidence

These are the facts of the case. Now for the circumstantial evidence and the implications of the facts.

1. No mission, consisting of men of such importance and entrusted with such an important task, could have conceivably been delegated by the Federation of British Industries without the full knowledge and approval of the British Government.

2. No one can possibly deny that contemporary politics are based largely on trade. Foreign policies are usually, although not always, dictated by the needs and demands of the export trade. If, and we shall at this point merely assume it, the traders find that the recognition of Manchukuo will facilitate trade relations with both Japan and Manchukuo, His Majesty's braintrusters will probably sacrifice fine ideals for cash orders. To say that the mission is not political because it is a trade mission is idle,—the two are usually interrelated to an irrecognizable degree.

3. The British Government could not have possibly overlooked the political significance of the mission to Manchuria.

BETTER LIGHT
BETTER SIGHT
and a
Brighter Place
to come Home to

Shanghai Power Company

Head Office: 95 NANKING ROAD :: TELEPHONE 1101

Giving approval to its trip, it at the same time accepted the moral responsibility for the consequences.

4. Is it impossible that the British traders and the Government, realizing the determination of Japan to secure naval parity, decided to pull a new trump out of the sleeve, by getting a few trade concessions out of Japan in exchange for the recognition of Manchukuo and (possibly) the support of Japanese claims at the naval parley?

5. Could have a British Corporation with a capital of $20,000,000 enter into negotiations or sign contracts with a state not recognized by British Government without receiving at least tacit approval of the authorities?

6. Could have Lord Barnby's mission establish an Anglo-Japanese trade organ with such far-reaching aspirations, without having the consent of the British Government to enter into agreements having political implications?

7. There is no doubt that Lord Lytton's gesture cost England a lot of pounds sterling in lost orders and ill-will. Whether delegated by the League of Nations or not, Lord Lytton was a Britisher, and his report was approved by the British Government. Could not there be a grain of truth in Japanese declarations that the "second Lytton report" (meaning Lord Barnby's report) will offset the effects of the first Lytton report? Could have British Government failed to foresee such an exigency at the time it considered the question of despatching the mission to Manchuria?

8. If the mission was interested in business, and nothing but the business, why did it so studiously avoid coming to China? Lord Barnby's visit here en route to Tokyo was marked by nothing more significant than a "jolly good game of polo." Was the Mission afraid that Japan would misunderstand a banquet or two given by Chinese officials in honor of the mission?

9. The British Government must have been aware of the fact that the report of the Mission on its return to England would be widely published, and would do much to change the public opinion on the question of Manchukuo and also on the Lytton report. By approving of the mission, the British Government is assisting in the dissemination of publicity favorable to Manchukuo and Japan.

These are nine inferences attempting to show that the British Industrial Mission was as much political as it was industrial. The writer does not insist that every one of them hits the target, but he maintains that all of them together tend to prove the point.

Great Britain, in her losing struggle for the world markets has decided to come to terms with her chief competitor. She is willing to trade commercial advantages for support of Japanese political and military aspirations. The Barnby mission is the first indication of such an agreement. The naval dickering in London may be the next. But whatever happens in the future, it is certain that a new deal has been made in the Pacific.

The Temptations and Distractions of the Far East

The following is part of the argument made by R. T. *Evans, lawyer for Eric Dudley Thunder, in the British Supreme Court at Tientsin Oct. 22. The accused was charged (and found guilty of) misappropriation of funds.*

"The accused had lived all his life in China, in Peiping, in the environment of the Far East. An environment more casual than we would wish—it isn't all it should be, but unfortunately it is. He had to deal with a community life which is an ever-present temptation to a young man. There was no inducement to be thrifty, he was constantly urged to take a chance. Lotteries on every street corner, Race Clubs operating in every large city with their issues of lottery tickets known as sweepstakes, offering opportunities to the weak who see in them a chance to get out of their difficulties deluding them into letting things run on in hope of getting out of the mess by a stroke of luck. We are all responsible for this state of affairs. We have all derided the homely virtues of thrift. We need to get back to a more sober vision of life, and we all share in that guilt."

70-369

Chiang Kai-shek Spokesman Emphatically Refutes Tsai Ting-kai Allegations

THE recent speeches in America by General Tsai Ting-kai in which he is alleged to have denounced General Chiang Kai-shek for the part he played in the Shanghai war in 1932 led a spokesman of General Chiang's headquarters in Hankow to issue last week a contradictory statement which reveals some interesting and hitherto secret history concerning the 1932 war.

The spokesman was in Hankow in connection with the tour of the Generalissimo and it is understood that he made the statement with the full knowledge of General Chiang.

Accusations of Tsai

Briefly, General Tsai Ting-kai is alleged to have accused General Chiang Kai-shek "of a series of machinations to destroy the 19th Route Army as the spear-head of Chinese resistance to Japan," and that "the so-called Government . . . . did not send a single soldier to reinforce us at Shanghai, and stopped necessary supplies."

The spokesman here says:

"Perhaps General Tsai Ting-kai may feel justified in attacking General Chiang Kai-shek because of Tsai's defeat by the forces of the Central Government when he raised the flag of revolt in Fukien Province, but even so, it is hard to conceive that he would tell a bald lie, notwithstanding that the 'so-called Government' he alludes to was at that time composed of members of his own party and that the Generalissimo had no power in it. General Tsai does not speak English, but on his return to China he will be given an opportunity to state the exact nature of the words he used in Chinese, the published translation of which is so inconsistent with the truth.

Glory Shared by Fifth Route Army

"In the first place, it was not the 19th Route Army alone that defended Shanghai. The troops which had been personally trained by the Generalissimo, the 87th and 88th Divisions—his crack troops, known as the 5th Route Army—really bore the brunt of the fighting, and the result was that fully one-third of them were killed.

"Apart from this, during the defense of Shanghai, General Chiang Kai-shek was in daily touch with General Chiang Kwang-nai and General Tsai Ting-kai in spite of the fact that the Generalissimo at that time was in the position of a private citizen, his resignation having been forced and accepted on December 20, 1931, as will be remembered, or may be verified by perusal of the newspapers of that time.

"It may not be generally known that what the public understand as the "Canton faction," during the period between the end of 1931 and the beginning of 1932, insisted that as long as the Generalissimo remained in power there could be no unity in the country, that the South-West would not enter the Government fold, and that peace could not be effected unless he resigned. The Generalissimo, with a patriotism which seems somehow to have been forgotten, but which, nevertheless, was very real, resigned from all his offices, including the Chairmanship of the Government and as Generalissimo of the National forces. He responded to pressure brought upon him to leave the country by getting his passports.

While preparing to go abroad, scarcely 10 days having elapsed since he left Nanking for his native home in Chekiang Province, telegrams, and representatives of the new Cabinet, began again to bombard him, this time stating that as a patriot he must return and lend his support to the Government by his personal influence in Nanking. It is remarkable here to note that as soon as the Generalissimo left Nanking and a new Cabinet took up the reins of office the authority of that Cabinet did not extend beyond Nanking, and that scarcely a Minister remained in the National Capital.

Chiang Kai-shek Not in Office at the Time

"The Generalissimo, after five years of strenuous activity, felt the need of a complete rest, but in the circumstances, when he saw the National Government falling to pieces he submitted to the pressure then being exerted upon him put aside his personal inclinations and returned to the deserted Capital.

"Thus, when the catastrophe began at Shanghai on the night of January 28, 1932, though the Generalissimo was in Nanking, he was out of office, hereft of power, and without any authority to issue orders to any Government troops. All he could do was to use his personal influence in a private capacity, but recognizing the terrible nature of the calamity facing China he endeavored time and again to place his military experience and his knowledge of the troops at the disposal of the country, only to have it clearly intimated to him that he was merely one of the members of the Military Council. Despite this rebuff he pleaded with the Government and the Generals at the front to allow him to go and stay at the front, saying that unless he went there personally it would, in the circumstances, be difficult for China to hold out for any length of time.

Placed in an Equivocal Position

"The leaders of the reactionary party, prompted either by jealousy of the Generalissimo or by fear that he would become politically stronger, curtly refused to comply with his urgent wish. He was thus placed in an equivocal position where he could be charged with the responsibility in the event of failure, without being allowed any power either to ensure success or avert failure.

"Persisting in his desire to go to the front the Generalissimo was told that his presence there would not be welcomed, and, should he insist, the 19th Route Army, instigated by one of the reactionary party, a certain Chen—who later disgraced himself by participation in the scandalous China Merchants' Steamship Company's bribery case, and who is now in Hongkong a fugitive from justice—might come into open conflict with the 5th Route Army. This, notwithstanding that the officers of the 5th Route Army had been emphatically instructed by the Generalissimo to give the fullest support to the 19th Route Army. 'No sacrifice is too great to make,' he said in one wire, in their support, adding, 'the glory of the 19th Route Army is the glory of China.'

"The Generalissimo, therefore, had to content himself with telegraphic advice to General Chiang Kwang-nai and General Tsai Ting-kai. We have the telegrams to prove that the Generalissimo wired those two Generals not to attack before a certain date because it was physically impossible to have reinforcements moved down to Shanghai before that time. Not being willing to sacrifice a single soldier needlessly the Generalissimo advised them to adopt a defensive policy pending the arrival of support, because while the troops then at the front were amply sufficient for that purpose, they were not strong enough to launch an attack successfully.

"Anyone familiar with the topography of China is aware that the Yangtze River flows between Pukow and Nanking, and it is known by all interested in the happenings of that time that Japanese warships were stationed along the Yangtze, so that it was most difficult for reinforcements to be transported across the river in large numbers with speed, and, therefore, they had to be spirited over in small numbers requiring much more trouble, and taking much longer time."

Text of Telegrams Produced

The spokesman produced the telegrams which had been exchanged between the Generalissimo and General Chiang Kwang-nai and General Tsai Ting-kai.

"They reveal," he said, "first, that the Generalissimo gave advice not to take the offensive till a certain date, when, he stated, reinforcements would arrive in Shanghai; secondly, that he urgently emphasized that the line of defense was weak because at Luiho, on the Yangtze, not a single soldier was stationed to prevent a possible landing by the Japanese troops, and he strongly advised that at least two regiments be placed there; thirdly, that in one telegram jointly signed by General Chiang Kwang-nai and General Tsai Ting-kai, those Generals agreed to abide by the advice of the Generalissimo.

"Despite the telegraph acceptance of the advice they did not station the troops, as urged, at Luiho, so that when Japanese troops appeared there, as foreseen by the Generalissimo, they were able to land without opposition, and both Generals Chiang Kwang-nai and Tsai Ting-kai, without permission from the Government, and entirely upon their own responsibility, ordered the 19th Route Army to retreat and they abandoned their original position. Most unfortunately of all when they did retire they did not tell the 5th Route Army anything of their intentions, and their force, being completely ignorant of what was happening during those fateful hours, continued fighting with their flank exposed all through the night, the result being that great numbers of them were killed.

"During the critical period under review condemnatory telegrams and letters rained upon the Generalissimo from various quarters asking why he did not send reinforcements, the senders apparently having forgotten that as he had been forced out of all his offices it was in every way impossible for him earnestly to do as a private citizen.

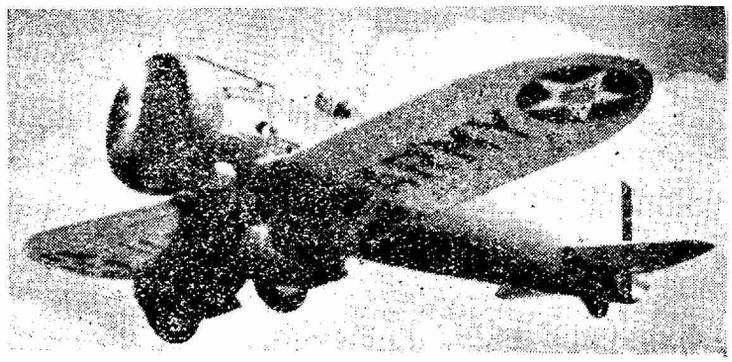
Reinforcements Sent by Chiang Kai-shek

"In that capacity he did contrive to get reinforcements on the way to Shanghai, expecting that the advice he offered would as agreed, be followed, and the vanguard of those reinforcements actually arrived in the vicinity of Shanghai on the appointed date, which was two days after Generals Chiang Kwang-nai and Tsai Ting-kai had taken the personal responsibility of bringing disaster upon the forces which had so gallantly stood their ground until that time.

"The irrefutable facts that have been related are a complete answer in themselves to the accusations made by General Tsai Ting-kai, and it is, therefore, not necessary to traverse the other minor accusations that he has made in order to bolster up the falsehoods he is reported to be circulating.

"During the time of the Shanghai incident and after the defeat of our forces there, those around the Generalissimo who were

IT'S HERE!



BOEING FIGHTER P-26A

A DEMONSTRATOR
WILL SOON BE EXHIBITED
IN CHINA.
THE STANDARD FIGHTER
FOR THE UNITED STATES
ARMY AIR CORPS.

BOEING AIRPLANE COMPANY, INC.

UNITED AIRCRAFT EXPORTS, INC.

HAMILTON HOUSE SHANGHAI

cognizant of the true situation, pleaded to be allowed to publish the facts. The Generalissimo, however, emphatically refused permission.

"The Generalissimo at that time had sent General Chang Tze-chung, of the 5th Route Army, to Generals Chiang Kwang-nai and Tsai Ting-kai and he conveyed to them the Generalissimo's idea that they should make public everything which had taken place. At that time those two Generals promised that they would publish the true facts to the world, but when the fighting was over they kept silent so that until today the outside world has been kept ignorant of the truth. Several times in the Shanghai Chinese newspapers, however, Generals Chiang Kwang-nai and Tsai Ting-kai stated that they had no fault to find with the Generalissimo regarding the operations, and stated clearly that the Government had supported them to the fullest extent with necessary supplies. This can be easily verified by reference to the Chinese newspapers.

"Therefore, in view of those statements, the words credited to General Tsai Ting-kai by the American papers appear to be without foundation and the product of the propagandists of reactionary politicians."

Religion vs. Registration in China

The seven primary schools of the Evangelical Lutheran Mission in Hankow were recently ordered closed by the city authorities for failing to register. The "Hankow Herald," a newspaper owned and edited by Chinese (Y. C. Jao, managing editor) thereupon made the following comments:

While the seven schools of the Evangelical Lutheran Mission in Hankow were ordered closed for failure to register, several schools of the same mission are allowed to open in Hanyang and other cities in this province. One of the oldest and largest mission schools in this country, the St. John's University of Shanghai, is not registered with the Ministry of Education and is open as usual. In fact, judging from the large number of students whose parents are government office-holders, the Shanghai school is still enjoying the same reputation among the official class. Why is all this? Is it because religious teaching is harmful in some particular city, for instance Hankow, and must be suppressed, but not harmful in other cities, for instance Hanyang right across the river, and that it is harmful in some particular schools, for instance those of the Evangelical Lutheran Mission, but not so in that Shanghai school?

While the authorities are suppressing the religious teaching, we well remember that some of the country's most brilliant diplomats and statesmen who have performed valuable services to their country to deserve to serve as models for the coming generation received their early education in some missionary schools where the teaching of the Christian religion was the most important part of their studies. Some, including one of the highest authorities of the land, have found Christian faith a great asset in their life's duties; and, to make up for the lack of religious education in their youths, have embraced the Christian faith in their manhood. In as much as the mission schools were the pioneers in modern education in this country in science, engineering, literature and arts—in the days when education meant only the reading of the dusty classics, it is safe to say that a large number of those at the helm of the state or prominent in finance and industry, have received part, if not all, of their education in some mission schools. If religious teaching has not done any harm in the past, it is hard to visualize that it will do so in the future so that the authorities have seen fit to even deprive the liberty of the parents to train their children according to their will and dictate of their conscience.

Our position, regarding that particular legislation that aims at depriving the Chinese citizen of the freedom of embracing any religious belief and training his children according to his own will and dictate of conscience—a freedom guaranteed by half a dozen constitutions remains unchanged. A more charitable view would have been taken of this regulation if the government can provide enough schools to take care of the many children in need of the barest education.

Let it be understood that this is no religious journal. We are as stoutly patriotic as any journal in this country. Nothing would please us more than to see this country run by Chinese in all respects, as every nation worthy of its name is being run. But we hold no fanatic viewpoint. We are for more, and not less, government control over the activities of the people that directly affect the welfare of the country; but we are against the Bolsheviklike method of ruthless suppressing of the freedom of conscience,—a freedom far from being inimical to the welfare of the nation.

The anti-religious feature of the regulation for registration of the schools is inherited from the days of the Nationalist Revolution of 1927 when slogan-making was everybody's business. Much of the extreme nationalistic vaporings has since disappeared and no thinking Chinese will regret to see this anti-religious regulation go by the board.

Close Government Supervision Over Banks is Needed

BY PAUL K. WHANG (汪 仲 羣)

CHINA is now faced with a very serious problem —a problem which has a great bearing upon the stability of her national finance. For the past few months, small banks with a capital of no more than $500,000 have sprung up like mushrooms, and the local community has been over-crowded with self-styled bankers. As if to make room for these new banks and bankers, many old ones have made their exit through the route of bankruptcy, and erstwhile bankers have become fugitives. The coming in and going out of these small banks have become, so to speak, a merry-go-round show, which, for obvious reasons, has spelled a great alarm to the uninformed public, who have tended to look at all the banking institutions with suspicion and distrust. It seems to be the consensus of opinion that if this show is permitted to go on freely and indefinitely, Shanghai will sooner or later come to a serious banking crisis with dire consequences upon the national financial structure.

Within the short span of the past two months, the Shanghai people have been taken by surprise with three successive bank failures. The Ng Wah Trust and Industrial Bank, the Overseas Trust Company, and the Industrial Bank of China have gone to the wall, one close upon the heels of the other. In this connection, one of the officials of the local Bankers' Association has been quoted as saying that there were only eleven bank failures in the whole of China during the past ten years. Therefore the present rapid increase in the number of bank failures would invariably tell us that there must be something wrong with the Chinese money houses, either on the part of the government which has failed to exercise proper supervision over the banks, or on the part of a few bankers who have not observed the sound banking principles in conducting their business. It is, of course, futile to cry over the spilt milk; but in order to arrest this degenerate tendency, it behooves the government authorities to make a detailed investigation of the underlying causes of these bank failures, so that effective remedies can be applied accordingly.

Mushroom Growth of Small Banks

It must be noted that the present mushroom growth of small banks is not warranted by the business conditions. It sounds rather paradoxical that while commercial and industrial establishments have been suspended in a wholesale fashion, one new bank after another should make its bow to the public. We have been told that even the long-established and well-known banks at the present time have had difficulty in finding a profitable outlet for their accumulated deposits in face of business depression. Then what chances can these newly opened small banks have in conducting their business with successful results? What arouses our suspicion all the more is the fact that these small banks, as a rule, can offer very high rates of interest to their depositors.

The root of the evil with these small banks lies in the fact that they are not opened for conducting legitimate banking business, but for the purpose of making speculative deals. Limited by their own small capital, they have to draw as much deposits from the public as they can, with the hope of getting rich quick by conducting speculative operations on a large scale with the depositors' money. To that end, their invariable trick is to offer to the public unusually high rates of interest on fixed deposits, sometimes as high as 12% or even 14% on any fixed deposits running over one year. The short-sighted and simple-minded people who pay more attention to the rates of interest than to the good condition of the banks have been apt to play into their hands.

The deposits thus drawn from the public with the promise to pay such high rates of interest must be invested in such a way as to yield to these bankers even higher rates of interest, so that they may be able to conduct their business with profits. But legitimate banking business generally can not produce an interest of more than 10%. In these circumstances these bankers are compelled to indulge in speculative operations, especially in the government bond market. Speculation is always risky, and so many of our small banks have become bankrupt because of this curse of speculation.

Mismanagement on the part of a few bankers has been also the cause of many bank failures. The manager of a recently closed banks, as reported, loaned a considerable amount of money to his relatives and friends without having any collateral security, and these loans became worthless, because they were long overdue. Saddled with a large amount of bad debts, the bank with a very limited capital would naturally find itself in an insolvent state and could not meet its obligations. It is not an unusual occurrence that the managers and directors of banks should utilize their positions to accommodate their relatives and friends without giving due regard to the sound banking principles.

Shanghai provides a free hunting ground for unscrupulous men to seek their prey. Money seems to be so plentiful, that every newly opened bank can draw from the public a fair amount of deposits. It is nothing strange that a bank with a small capital of $500,000 can get deposits several times as much during the first few weeks after its opening to business. The reason to account for this can be explained by the fact that owing to unstable political condition and communistic menace during the past few years, men of means have remitted their money to Shnaghai for safekeeping. Many of our land-holders have money on deposit, when they have disposed of their rice-fields, the returns of which have now become very small because of the decline in the price of rice. Many of our women have also money to deposit, when they have exchanged their gold ornaments for silver dollars when the gold price reached its highest watermark in the past two years. It now becomes a fashion among the people that it is better to keep ready cash on hand than to invest in any form of business. Taking advantage of this situation, a few unscrupulous persons have opened up banks not so much for giving banking facilities to the public as for playing upon the weak spot of human nature to achieve their personal objectives.

That a few bankers can use the public fonds in their custody for speculative operations and for the accommodation of their relatives and friends bespeaks the fact that the govrenment authorities have neglected their duties in exercising a proper supervision over the banks. It was said that two of the recently closed banks, namely, the Ng Wah Trust and Industrial Bank and the Industrial Bank of China, had not conducted their business in accordance with the government regulations governing the commercial and savings banks, and that they had not even been registered with the Ministry of Industries. In the matter of registration, we have been told that there are quite a few local banks which have not yet been registered. It is a timely question to ask how these unregistered banks can be permitted to operate in our midst.

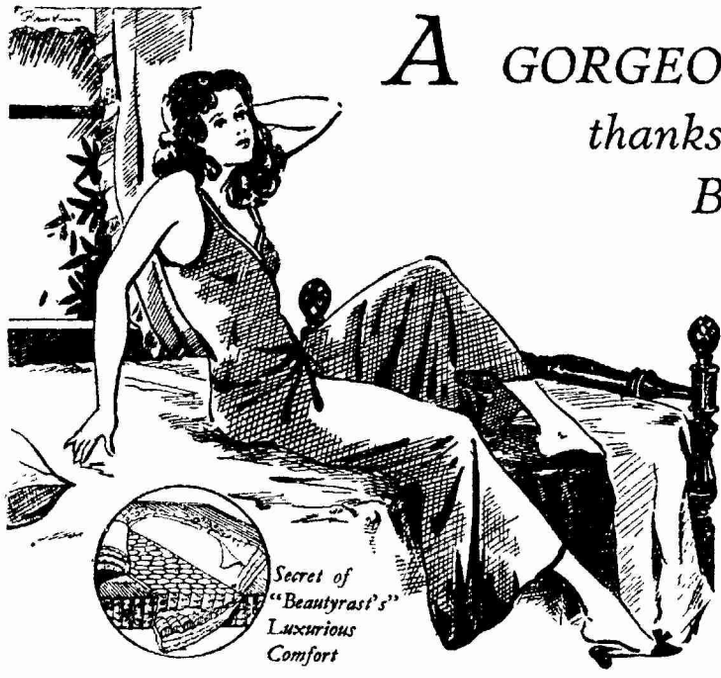
Doubtful Banks Should Be Banned

The average people can not be expected to know whether the banks in which they have deposited their money are properly registered, or whether they conduct their business in accordance with the government regulations. What they are primarily interested in is the rate of interest they can get on their deposits. In order to protect the innocent public from being swindled, it is up to the government to impose a ban in all those banks which are doubtful in character. That the government in the past should assume such a lenient attitude toward the banks and permit the regulations governing the banks to become dead letters is really incomprehensible.

With a view to preventing the recurrence of bank failures, the government should lose no time to tighten its control over the money institutions. It is the duty of the officials concerned to see that every bank has been properly registered, that it has been operated in accordance with the sound banking principles, that it has periodically submitted its audited financial statements, and that it has closely observed the regulations governing, the banks. It seems to be imperative that official inspection must be made at very frequent intervals. If an inspection reveals that any bank has violated the regulations, a very heavy penalty should be imposed. The knowledge that a surprise inspection might be made at any moment and that a severe penatly would follow any infraction of the regulations would at least minimize what is a very serious danger.

It must be noted that at present Shanghai has already been overcrowded with banks. What this community really needs is a few but big and reliable banking institutions, and not a large number of small money houses. These small banks are not in a financial position to weather any storms, and therefore their presence is rather a nuisance than a convenience to the community. As a measure to eliminate these small banks, we have reasons to suggest that henceforth the government should regulate that the minimum capital for any bank should not be less than $1,000,000. If this regulation can be put into force, a large number of the banks will have to either amalgamate themselves into big ones or pass out of the picture. The elimination of small banks will do much to stabilize the local financial condition.

In regard to the safety of deposits, we are inclined to believe that the American deposit-guarantee scheme provides many good



A GORGEOUS NIGHT . . .
thanks to
Beautyrest MATTRESS

SOUND, unbroken, restful sleep through the whole night is what BEAUTYREST offers you. You greet the new day refreshed and ready to meet its problems.

The Beautyrest is only one of a number of mattresses made by Simmons...leading furniture stores will show you the complete line.

Look for the Simmons label—it is your guarantee of quality, value and expert workmanship.

Beautyrest Mattress

SIMMONS

BEDS - SPRINGS - MATTRESSES

points for us to follow. According to the American scheme, all the banks coming under the scheme must offer a guarantee of deposits up to U.S.$5,000 per individual depositor. This scheme with some modification can be advantageously introduced into this country, so that men and women of small means who have deposited their life-long savings in the banks can be fully protected from any eventualities.

Shanghai, October 26, 1934.

How to Counter Japanese Propaganda in Mongolia

(From the Peiping Chronicle, Oct. 24)

Major Shimonaya, the Japanese advisor to the recently opened propaganda college for young Mongols in the Khingan region, has set forth a complete scheme for indoctrinating the Mongol mind with the idea that "Codlin's the friend, not Short"; in other words the Mongols are to be persuaded that their salvation cometh not from the North or from the South, but from the East. Nor is that all; there is behind this simple way of putting things a subtle but deliberate suggestion that the ways of democracy are not conducive to national strength or stability. To this there is added the suggestion that "Manchukuo" is the mediator of the divine grace, which proceeds alone from Tokyo. The whole purpose of the new institution is to wean Mongolia away from any association with or community in the Republic of China. Every part of the daily or yearly life of the students is to be so ordered that every student is, under all circumstances, a propagandist, conscious or unconscious, of the separatist principle. The appeal is to be made both to the past and to the present. The name of Genghis Khan is invoked, and in his name the glories of the Mongol race are to be revived—under the benevolent aegis of Japan. The subtlety of all this is not to be denied. In the handsome Mongol tent in which guests are received a Pailingmiao, which is to be the capital of the newly created autonomous administration of Inner Mongolia, the first thing that greets the eye of the visitor faces him directly his head is inside the doorway, is a large picture of Genghis Khan, kept there as a reminder of Mongol greatness and a spur to the ambitions of young Mongolia; and conversation with any Mongol will soon show how profound is still the reverence and admiration of the greatest of all the Mongols.

The question is, How can this propaganda be countered? The answer is, By meeting the Mongols in a spirit of something more than give and take, which after all is but a spirit of profit and loss; by the display of a warmer spirit of generosity than has hitherto been manifest. The Mongols, especially of Inner Mongolia, are faced with certain definite problems. They feel that their pasturage is threatened; they have felt for a long time that the imposts placed both on their imports and their exports at the Great Wall are not only exorbitant, but contrary to the spirit that prevails elsewhere in the Republic. When, four years ago, the Government removed the enormous mass of levies on domestic trade—likin and octroi and lotishui, and all the rest of it—no such relief was granted to the commodities imported or exported by the Mongols of Inner Mongolia. At places like Kalgan very heavy duties are levied on goods entering or leaving Inner Mongolia. In other words, it is felt that Mongolia is not being treated as if it were an integral part of the Republic, but as if it were a foreign country. Apart from the weight of the levy, which is considerable, the principle of it is highly repugnant to the Mongol mind. It is not surprising therefore, that when Japanese travellers visit the country and tell how, very soon, there will be a main line railway running right from Dolon-nor to Dairen, with freight charges at a minimum and customs charges merely nominal, the pastoralists of Inner Mongolia, hoping to see their wool, their sheep and their cattle, their "muck-and-truck" pastoral produce—hoofs and horns, hides and horsehair, the products of their chase and the potentialities of their dairies, see great possibilities before them, and are strongly tempted. Tempted, indeed, against their better judgement; yet very strongly tempted. There is no innate love for the Japanese in the Mongol mind, no admiration for what is being done in "Manchukuo," (still less for what is being done in "Soviet Mongolia"), but there is the ever-increasing pressure of economic considerations, and whoever will give assurances of a lightening of that pressure is offering to the Mongols something that may easily appeal so strongly as to overcome any sentimental reluctances or any deeprooted suspicions.

The one countervailant that will serve in dealing with the Mongols is a generous treatment fiscally, politically and administratively. On the fiscal side a measure of real free trade, with inducements to ship through Chinese channels and not through Japanese; on the political side genuine autonomy; and on the administrative side a firmer control of disorderly elements who have found their way along the outer side of the Great Wall and are preying on both the Chinese settlers and the nomad Mongols. Japan is bidding very high for Mongol adhesion to "Manchukuo." She must be outbid.

Geneva Labor Investigator Gives "Clean Bill" to Japan

The report by Fernand Maurette, the Assistant Director of the International Labor Organization, who visited Japan to obtain information of living and working conditions there, describes conditions which he saw in 22 industrial establishments, representing sixteen industrial groups.

He describes the Hashiba works of the Dai-Nihon Cotton Spinning Company, a concern which has altogether 12,000 employees, of whom 11,000 are women. The Hashiba works employ 2,000 workers, of whom 80 per cent are women. They contain 97,700 spindles and 8,000 looms. "Mechanical rationalization is carried to the extreme. I saw girls supervising 30, 40, and even 60 looms. Some workshops appeared to be almost empty of workers." He speaks also of the highly developed rationalization of the Kurimoto iron works, the high degree of concentration in the glass industry (Japan now occupies third place in world sheet glass production) and the mechanization in match manufacture and porcelain and pottery manufacture, and so on, as well as the great expansion of electric insulator and electric bulb production, the making of watches and clocks, bicycles, fountain pens, and rubber goods. The majority of the establishments visited already enjoyed more favorable conditions in respect of hours of work than those provided for in Article 9 of the Washington Convention. The only two exceptions were that some undertaking still observed the fortnightly instead of the weekly rest day, and that the ten-hour day, at least for men, remained in force in a certain number of weaving factories and a nine-hour day in others.

M. Maurette points out, however, that these are the conditions in particularly progressive establishments. In medium and smaller workshops the working day was much longer (days of twelve hours being mentioned), while holidays were shorter and less regular. But most of these workshops had fewer than ten workers, and, therefore, they would not come under the Washington rule. According to the 1930 census, of the 5,291,000 persons working in industrial establishments, 3,291,000, or 60 per cent, were employed in undertakings with not more than five workers. Here M. Maurette comments that "from the standpoint of competition in the foreign market . . . . .while Japan has exported cotton goods to the value of 323,000,000 yen annually on the average during the last few years, the export of yarn produced in small workshops did not exceed 1,000,000 yen, so that it may be said, first, that cotton exports do not depend upon inferior conditions of work, and secondly, that if conditions of work were improved in the smaller workshops, Japanese would not suffer."

Low Standard of Living

Having quoted many figures of earnings and referred to additional allowances in certain cases, and having also drawn attention to the very low general standard of living in Japan and to the fact that the great masses of the population are still rural and agricultural workers, M. Maurette says that the remuneration of industrial workers is still very low, especially as the figures available relate to large undertakings where labor conditions are the best. An extremely simple manner of life is characteristic of the whole nation and not merely of the workers. This simple way of living is well adapted to the organization of industry on family lines which has always prevailed in Japan. M. Maurette was constantly impressed by the rapid way in which employees worked, with the result that the output per worker was high.

There was substantial agreement in all quarters—the Government, the employers, the work-people—concerning the conditions of Japanese labor, and everywhere great concern to refute the complaint of social dumping in foreign markets. It was pointed out that the whole economic system of Japan may be explained by the poverty of the country in natural resources, its over-population, and the restrictions placed on Japanese immigration by almost all countries. The only possible solutions for the problem of over-population were either emigration or industrialization. Dependent upon foreign countries for raw materials, Japan must improve technical methods so that output may be increased and costs of production reduced, in order to pay for raw materials from abroad and to enable the country to compete in the world market on equal terms. It is contended that, inasmuch as the depreciation of the yen has not been accompanied by a rise in the price of home-produced products in the internal market and the Japanese live almost entirely on home products, real wages in Japan are much less different from wages in Western countries than nominal wages. Rather is the success of the Japanese export trade to be attributed to technical reorganization. The Japanese Government protests against the policy of high tariffs, from which Japan suffers more, it is claimed, than any other country.

The employers say, in addition that goods are not sold abroad at prices lower than those prevailing at home, and concerning the conditions of employment they state that labor is not bought in Japan, but that, on the contrary, the employment of workers has a moral significance for the employer, involving a certain guarantee of their livelihood and the enrichment of their cultural life. Furthermore, they state that Japanese workers, on their side, do not work in accordance with the amount of wages they receive or the length of hours on duty. "They take pride in improving their technical skill and in producing goods of superior quality and are happy when their factories or companies are prosperous."

Workers' Spokesmen Take Exception to Agitation Abroad

The workers' spokesmen also took exception to the agitation abroad against Japanese foreign trade. The Japanese trade unions —and there are only 380,000 trade unionists, including 120,000 seamen, in Japan in a working population of over 5,000,000— demand an improvement of working conditions and object in particular to unbridled competition among the small undertakings. But they add that when working conditions have been improved they will probably not be "nominally" the same as those prevailing in Europe and the United States. Allowance must be made, they submit, for the climatic, geographical, and demographic conditions in Japan, for its historic traditions, the racial traits of the people, their mode of living, the social order, and also the international situation. Japanese workers are desirous that the workers of the world should inquire into the real causes of the cheapness of Japanese goods, which would tell them that any attempt to prevent or restrict the expansion of Japanese oversea trade would result in reduction of their wages. They also suggest that campaigns against Japanese exports would be a deplorable thing for the peace of the world and the progress of mankind. Japanese export trade has not been achieved at their expense, and they would be the first to suffer from a stoppage of that trade.

M. Maurette, in the conclusion of a long report, says that "social dumping, defined as the operation of promoting the export of natoinal products by decreasing their cost of production as the result of depressing conditions of labor in the undertakings which produced them, or keeping those conditions at a low level, if they are already at such a level . . . . does not exist in Japan." It was admitted by all that the depreciation of the yen was the first cause of the expansion of Japanese export trade. This, however, was, M. Maurette says, an accident and temporary factor, and though it encouraged exports it bore heavily on imports. The ultimate cause was to be found in commercial and technical organization.

***

14,000 Girls Sold to Brothels and Factories in Japan

Farmers in the Tohoku district of Japan are in a disastrous plight. This year they have already sold over 14,000 girls to brothels or as factory operatives simply in order to earn their rice. The *Japan Chronicle* reports that unless immediate relief is forthcoming, they will have to face starvation. When Mr. Yamazaki, Minister of Agriculture and Forestry, personally visited the district recently all the stations from Yamagana to Akita were crowded with petitioners.

Though not much publicity was given at that time, the actual damage done by the floods in July was very heavy, with the washing away of bridges, the collapse of embankments and the dislocation of roads. In Akita prefecture alone, over 46,000,000 chobu (115,000,000 acres) of rice and other fields were inundated, and a 50 per cent drop in the rice crop is reported for the 12,000,-000 chobu area. In other localities also, owing to the cold snap, rice planting was greatly impeded.

Tohoku farmers have been suffering from bad crops for many years. They cannot even afford food, and most of them are living on roots or nuts and wild fruits. Occasionally village offices provide them with small bags of rice, but this is not free of obligation as they must be returned in the harvest season.

In the first eight months of the year, an official report says, 14,000 girls were sold to brothels or as permanent factory operatives. Boys are also being sold for trifling sums. Some 10,708 villagers went bankrupt. About 80 per cent of households have no rice to eat. About Yen 60,000 in primary school teachers' salaries is outstanding. It is further reported that of the 160,000 school children, 14,000 are inadequately fed, with no meal at noon.

In such circumstances, most farmers are unable to pay for fertilizer and other requisities, not to mention tenant fees and house rents. Even if a good harvest is gathered, the entire crop must be delivered to the creditors. Their only hope, therefore, is to seek Government aid. Learning about the visit of Mr. Yamazaki, Minister of Agriculture, their representatives crowded all railway stations from early in the morning. At a certain station in Yamagata prefecture, several farmers presented bracken cake, acorns and other expedients by which they are staving off starvation. They insisted that Mr. Yamazaki should try them. When Mr. Yamazaki complained of their sourness, the farmers replied pathetically that salt and miso are the only savorings they have.

In Yokote station, dozens of farmers' union members demanded an interview, but were interrupted by the police. Finally five representatives were allowed to see the Minister.

***

35,000 Babies Starving in Japan

A Morioka dispatch to the *Mainichi* reports that an inquiry by the authorities of Iwate prefecture in the North-East has disclosed the shocking fact that through the under-nutrition of their mothers, over 35,000 infants are on the brink of starvation. The alarmed prefectural authorities, it is said, have decided to open 459 relief stations. Iwate is a prefecture in which the effects of famine are most disastrously being felt, and the above harrowing figure has been revealed by the official inquiry made at over 90,000 farms. Mr. Niwa, Vice-Minister of Home Affairs, is quoted by the *Mainichi* as saying that the distress of the farmers in the North-East is beyond description.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

DOWN TRAINS										UP TRAINS							
41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3	MAIN LINE STATIONS		302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep.	Peiping - - -	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,,	Fengtai - - - -	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,,	Langfang - - -	,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,,	Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr.	Tientsin East -	dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep.	,, ,,	arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	
10.38		12.47		18.03	Stop	1.10	14.47	,,	Tang-ku - - -	dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,,	Lu-tai - - - -	,,		5.26	11.41	13.48	17.43	4.08		
12.52		14.42		20.11		3.32	16.39	,,	Tang-shan - -	,,		4.15	10.30	12.50	16.37	2.58		
13.39		15.17		20.47		4.20	17.14	,,	Ku-yeh - - - -	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,,	Lanhsien - - -	,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,,	Chang-li- - - -	,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,,	Pei-tai-ho - - -	,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,,	Chin-wang-tao -	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr.	Shan-hai-kwan -	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep.	,,	arr.						21.26		
		16.25						arr.	Shenyang (Mukden)	dep.						10.15		
	FOR SHANGHAI		FOR PUKOW								FROM SHANGHAI						FROM PUKOW	

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934.

BY ORDER.

Japan's Two Billion Yen Budget

Japan's budget total passed the two billion yen mark, as the Ministry of Finance at Tokyo continued its study of the departmental estimates, Oct 31. Some officials predict that it will reach Y 2,100,000,000.

The Japanese Cabinet will meet November 10 to begin debate on the Finance Ministry's proposal of a total budget of Yen 1,990,000,000 for the 1934-35 fiscal year. The Ministry's estimate is Yen 150,000,000 below the aggregate budget of the present fiscal year, and a decrease of Yen 180,000,000 in the deficit to be covered by bond issues, but, with the War and Navy Offices in a determined campaign for much larger appropriations and most of the other Ministries also seeking larger sums, the *Chugai Shogyo* says the budget when completed will have a larger total, the increase depending on the ability of Finance Minister Sadanobu Fujii to resist the demands.

The tentative estimates of the budget bureau of the Finance Ministry for new enterprises allots the War Ministry Yen 180,000,000, the Navy Ministry Yen 80,000,000, the Home Ministry Yen 18,000,000 and the Agriculture Ministry Yen 15,000,000, while Yen 100,000,000 is divided among the Education, Justice, Overseas, Commerce, Communications, Finance and Foreign Ministries. With other items, the estimates form a total of from Yen 430,000,000 to Yen 440,000,000, which is about 35 per cent of the Yen 1,200,000,000 requested for new enterprises. The appropriations for new purposes is added to the statutory budget of Yen 1,550,000,000 to form the approximate total of Yen 1,990,000,000.

The budget bureau, the *Chugai Shogyo* said, anticipates Yen 1,386,000,000 in current revenues during the coming fiscal year, an increase of Yen 88,000,000 over the present year. Taxation is counted on to produce Yen 806,000,000, an increase of Yen 31,000,000 over the revenue of the present year; revenue stamps, Yen 78,000,000, an increase of Yen 5,000,000; incomes from Government monopolies and Government properties, Yen 293,000,000, an increase of Yen 39,000,000; ordinary revenues, Yen 69,000,000, an increase of Yen, 10,000,000, and miscellaneous, Yen 140,000,000, an increase of Yen 3,000,000.

An increase of 10 per cent is expected in income tax and customs duties, and increases are anticipated in the exra-profits tax, textile and sugar consumption taxes and inheritance taxes, However, a Yen 5,000,000 decrease is expected in the brewery tax. and decreases are expected also in the land tax and beverage tax. Levies on race clubs will raise the total of miscellaneous revenues.

The *Hochi* points out that loan issues totalling about Yen 610,000,000 would be necessary under the budget proposed by the Finance Ministry. The figure is Yen 200,000,000 under the total of bond issues for the 1934-35 fiscal year.

Count Kodama Appointed Overseas Minister

Prompt settlement of the Kwantung reorganization plan tangle was promised October 25 by Count Hideo Kodama, who was in the previous day appointed Minister for Overseas Affairs. Count Kodama is an expert in colonial administration. He was once the Chief Administrator of the Korean Government.

Highef Taxes Provided in 1935-6 Budget

Higher taxes for the next fiscal year are provided for in the 1935-36 budget being propared by Mr. Fujii, while a secretary of the finance ministry, was known to be a supporter of higher taxation to cover budgetary deficits. The Bureau of Accounts of the Finance Ministry has drawn two formulas for increasing the state revenues. One of them proposes the establishment of tax on emergency profits, and the other suggests increase in the profit tax on incorporated bodies, in the inheritance tax and the tax on incomes derived from interest on invested capital last week. An agreement was reached among the members of the Cabinet to make the proposed committee on national policies a permanent body. The Cabinet ministers agreed that the committee to be effective should not be affected by change of cabinets. It was further decided to limit the activities of the committee to questions of finance and industry. Its scope of competence, it is reported will not include questions of national defense or foreign policy, since such issues are often of an extremely confidential nature.

Tokyo Steel Firm Declines to Work with British

The Japan Iron Manufacturing Company Oct. 28 declined an invitation to form a close relationship with a British iron and steel syndicate for the purpose of jointly selling steel products, principally steel rails, to Manchukuo and other regions. Company officials said its exports to Manchukuo were relatively small since the company's products were mostly sold in Japan proper. However, they emphasized that British steel interests have an opportunity of expanding their business since Manchukuo is observing the "Open Door" trade policy. They also emphasized that it exports rails to Manchukuo only, hence Japanese business interests do not compete with British business elsewhere, making a close union between Japanese and British groups unnecessary.

Japanese Importers Agree to Buy Wool from South Africa

It was agreed in principle among importers of wool in conference held at the Osaka Chamber of Commerce and industry

on October 23 to purchase a greater quantity from the Union of South Africa. Present in the conference were representatives of 23 overseas trade organizations.

***

Japanese Groom, Grief-Stricken by Death of Fiancee, Insists on Wedding

A "wedding ceremony," ranking among strangest ever performed in Japan was conducted recently when a grief-stricken groom demanded that he be pemitted to "marry" the corpse of his fiancee who had suddenly died. The weird ceremony was held at the home of the bride, Miss Eiko Abe, aged 21, at Natsuimura, Fukushima Prefecture. The groom was Dembei Matsumoto, aged 31, an assistant professor of the medical college of Nagoya Imperial University

Miss Abe and Mr. Matsumoto met last April and became engaged in August with the approval of their parents. Early this month authorities of the university accepted his thesis and he was awaiting the conferring of the degree of *igaku hakushi*, doctor of medicine, after which the marriage was planned. Miss Abe suddenly became ill last week and died two days later. Mr. Matsumoto hurried from Tokyo to her home.

Arriving in the death chamber, he covered her body with her marriage kimono and requested that the wedding ceremony be performed. A conference of the immediate family and other relatives was held, and, after long debate, it was decided that Mr. Matsumoto's wishes should be met. The ceremony was performed at the death-bed in the presence of the parents of the couple.

Soviets Still Removing C. E. R. Rolling Stock, Manchukuo Alleges

An announcement made by the Manchukuo Government Oct. 29 stated that the Soviets have appropriated to themselves since 1921, Chinese Eastern Railway rolling stock to the value of 15,880,000 gold roubles. This includes, says the announcement, 168 locomotives, 200 passenger cars and 900 freight trains. The announcement further charges that "the thefts are increasing with the prospects of the successful transfer of the Railway despite the Manchuli and Suifenho blockades."

THE PUPPET FUNCTIONS

—*Baltimore Sun*

According to the *Tokyo Asahi*, the view is growing in Japanese military circles that if the Soviet side persists in its new proposals which have caused another deadlock in the negotiations for the transfer of the Chinese Eastern Railway, the Japanese Government should wash its hands of the whole matter.

The Japanese military authorities take the view that it is unreasonable of Soviet Russia to demand the guarantee of the Japanese Government for payments by Manchukuo, since Japan is willing to arrange for the subscription by a Japanese banking syndicate to the public bonds to be issued by the ManchukuoGovernment. The establishment of a credit for the Manchukuo Government in this way is tantamount to a guarantee by the Japanese Government. For Soviet Russia to press her point further would be a glaring act of discourtesy towards Manchukuo."

Executions and Prison Sentences in Connection With Soviet Economic System

Five persons were sentenced to death during the week in Russia in connection with the Soviet Government's campaign against theft and corruption in the economic system. At Irkutsk, 28 workers in one factory were tried for stealing and selling factory products at speculative prices. Four of the defendants were executed before a firing squad, six were sentenced to ten years imprisonment, four to five years imprisonment, and the others to shorter terms.

British-American Tobacco Adopts a Chinese "Dress"

It is announced that the British-American Tobacco Company (China) Ltd., has incorporated two new Associated Companies named the Yee Tsoong Tobacco Company, Limited, and the Yee Tsoong Tobacco Distributor Limited.

These new Companies as of November 1, 1934, take over the business previously carried on in China by the British-American Tobacco Co., (China) Ltd., British Cigarette Company Limited, and Enterprise Tobacco Company Limited. It is understood that this is a scheme of domestic reorganization whereby it is hoped to carry on business more efficiently and more effectively. The new Companies have no interests in Manchuria, Hongkong, Macao or Indo-China—in other words, the business in China is "divorced" from the other British-American Tobacco operations in the Far East, and appears in a Chinese (instead of a British or American) "dress."

"Manchukuo" Demands River Delta Beacons Be Removed by Soviets

A demand that Soviet beacons be removed from the delta at the junction of the Ussuri and the Amur has been made by the Manchukuo delegation at the Russo-Manchukuo waterway technical committee, held in Taheiho. It was claimed the beacons have been erected in violation of the waterways agreement reached recently between Manchukuo and the Soviet.

Kwantung Army Back to Peace Footing

The Kwantung Army in Manchuria will return to peacetime status on January 1, 1935, according to announcement issued by the army in Changchun, Oct. 22. Abolition of the war-time status in force since the Manchurian Incident three years ago indicates the end of the emergency period as far as the Japanese army is concerned.

Japanese Report More Successes Against "Bandits"

Japanese troops engaged in a bandit suppression campaign in Kirin Province, in co-operation with Manchukuo forces, in the Pinchiang district, have annihilated a powerful bandit force under Te Lin. A large group of outlaws under Chao Shang-chih was routed by the Mikurube Corps at Maotzushan, in the Southern part of Pinhsien.

According to the *Harbin Times*, a Japanese named Kunihiro has made a statement to the Japanese consul-general, that he recently escaped from a gang of Korean and Chinese bandits, after having been held a captive for 22 days.

Sixty bandits recently attacked Shihtowhotze on the Eastern section of the Chinese Eastern Railway. As the Harbin garrison was in danger of being annihilated, reinforcements—Russians enrolled in the Manchukuo army—were despatched from Yablonya. These men engaged the bandits in battle. They killed nineteen and wounded five. One Russian was wounded.

More Korean Settlers on Way to Manchuria

The second group of 905 Korean immigrants to Manchuria from flood-stricken areas in South Korea passed through Antung this week. The third party consisting of 674 Korean residents is scheduled to leave Korea on November 5.

Suileng Attacked by Bandits

A combined bandit force numbering about 300 under Hsiao Ping and other chieftains, attacked the walled town of Suileng on the afternoon of October 20. The Suileng police force is reported to have put up a desperate fight against the attackers, who looted many homes and almost succeeded in capturing the government office building. Fighting continued for four hours before the bandits fled, leaving behind thirty dead, including one of their leaders.

Another Railway for Manchuria

An important railway line in north Manchuria, stretching from Peian to Chengching, a distance of 136 kilometres, will be opened to regular traffic on December 1, according to the South Manchuria Railway Co.

S.M.R. Earnings Show Great Increase

The freight revenue of the South Manchuria Railway Company for the first nine months of this year showed an increase of Yen 11,000,000 over that of the corresponding period of last year, chiefly because of an increase in the imports of building materials, foodstuffs and general merchandise.

$3,700,000 Loan for Reconstruction Purposes

The National Reconstruction Commission of the National Government in Nanking has obtained a loan of $3,700,000 from leading local Chinese banks. The loan will be devoted for the expansion of the two power plants in Nanking and for the construction of the Hwai-Nan Railway. The loan is shared by the Bank of China, Bank of Communications, China and South Seas Bank. Shanghai Commercial and Savings Bank, Yuen Yueh Bank, Continental Bank, Ningpo Commercial Bank, Sin Hwa Bank, National Commercial Bank, Agricultural and Industrial Bank of China and the Postal Remittances and Savings Bank.

YELLOW RIVER CONSERVANCY BOARD HOLDS PLENARY MEETING

The Yellow River Conservancy Board held its third plenary meeting in Tientsin, Oct. 18, Li I-chih, Chairman of the Board, presiding with 24 members and representatives from the interested Provincial Governments present. Mr. Li reported that most of the resolutions adopted at the last plenary meeting had been carried out by the Board. The most important task for this year is flood prevention and fundamental control of the river, therefore, the majority of the present proposals deal with these problems. After hearing reports from Chang Han-ying, Chief Secretary of the Board, and Lin Cheng-hsiu, Provincial Commissioner of Reconstruction for Hopei, on the work of the Board and the recent collapse of the river dykes in southern Hopei, the meeting confirmed the expenditures appropriated for the telephone installations along the river in the provinces of Hopei, Honan and Shantung. It was decided that the next plenary meeting of the Board be held in Kweihua, provincial capital of Suiyuan, in April, 1935. Three sub-committees were appointed to examine the proposals submitted by the delegates.

$100,000 for Repair of Breached Yellow River Dykes

In view of the urgent need of funds for river conservancy work, the Central Political Council has authorized the immediate remittance of $100,000 towards the repair of the breached dykes of the Yellow River at Changyuan, in Southern Hopei. This is half of the total sum needed for the work, the other half being provided by the Hopei Provincial Government. The Ministry of Finance has been instructed by the Executive Yuan to act accordingly.

FERRY, NOT BRIDGE, TO SPAN YANGTSZE AT HANKOW

With plans for the building of a bridge to span the Yangtsze River at Hankow and Wuchang apparently shelved, the Ministry of Railways is now represented as seriously considering the introduction of a train ferry service, similar to that between Nanking and Pukow, for the famous Hupeh twin cities. A fund of $4,400,000 is estimated as necessary for that project. Of this amount, $1,200,000 is to be spent for the purchase of a ferry, $1,500,000 for the construction of the mechanically controlled pontoons, and the balance for other purposes.

FOREIGNERS TO HEAD NEW C.M.S.N.C. SHIPS

According to information from the China Merchants Steam Navigation Company the four new vessels recently built for the Company in England, will be commissioned for service between Shanghai, Swatow, Hongkong and Canton. It is announced that foreigners will be employed as captains for the four new ships. The *Hai Yuan* arrived in Shanghai from Newcastle Oct. 31. Capt. Johannesen, a veteran in the China Merchants service, has received the first appointment.

Building Construction Activity in Nanking

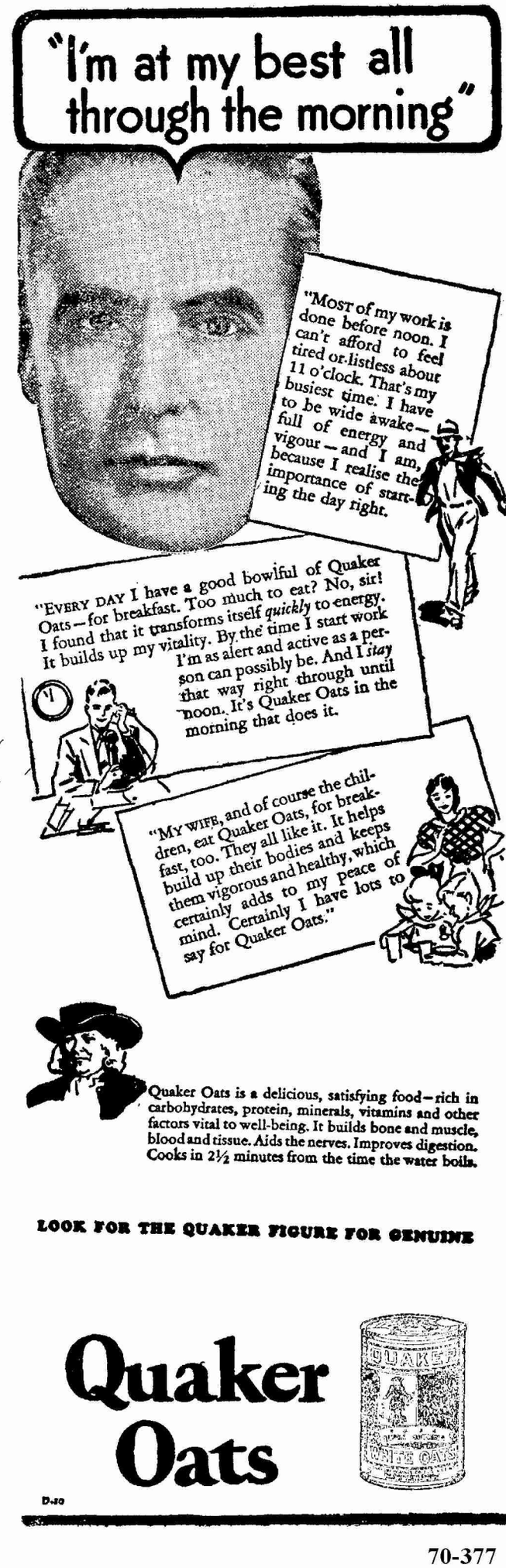
Over $20,000,000 has been spent on private building construction in Nanking during the past three and-a-half years, according to statistics compiled by the Public Works Bureau of the Municipal Government.

Suiyuan-Sinkiang Bus Service Resumed

By arrangement between the Suiyuan and Sinkiang Provincial Governments, omnibus service on the entire Suiyuan-Sinkiang Inter-Provincial Highway was resumed on November 1.

Shanghai Merchants Oppose Kwangtung Tobacco Tax

A storm of protest has been aroused against the collection of an additional tax of 20 per cent *ad valorem* on rolled tobacco by the Kwangtung Provincial authorities enforced since Oct. 22. The Shanghai City Chamber of Commerce, in telegrams to the Ministry of Finance and the Kwangtung Provincial Government, points out that the new levy imposed by the Kwangtung Provincial authorities is but another form of likin which the government has declared officially abolished. The revival of likin, in various guises, in the provinces of Hunan, Hupeh, Kiangsi and Fukien, the message recalls, has been successfully suppressed by the central authorities. The present attempt of the Kwangtung Provincial Government in the same direction calls for similar action by the central authorities, it is orgned.


"I'm at my best all through the morning"
"MOST of my work is done before noon. I can't afford to feel tired or listless about 11 o'clock. That's my busiest time. I have to be wide awake—full of energy and vigour—and I am, because I realise the importance of starting the day right.
"EVERY DAY I have a good bowlful of Quaker Oats—for breakfast. Too much to eat? No, sir! I found that it transforms itself *quickly* to energy. It builds up my vitality. By the time I start work I'm as alert and active as a person can possibly be. And I *stay* that way right through until noon. It's Quaker Oats in the morning that does it.
"MY WIFE, and of course the children, eat Quaker Oats, for breakfast, too. They all like it. It helps build up their bodies and keeps them vigorous and healthy, which certainly adds to my peace of mind. Certainly I have lots to say for Quaker Oats."
Quaker Oats is a delicious, satisfying food—rich in carbohydrates, protein, minerals, vitamins and other factors vital to well-being. It builds bone and muscle, blood and tissue. Aids the nerves. Improves digestion. Cooks in 2½ minutes from the time the water boils.
LOOK FOR THE QUAKER FIGURE FOR GENUINE
Quaker Oats
QUAKER
D-30

Dr. Wang Chung-hui's Mission for National Unity

BY C. Y. HSIEH (謝志耘)

NO praise can be to too high for the attempt of Dr. Wang Chung-hui to effect a complete reconciliation between Nanking and Canton. Dr. Wang recently returned to China from The Hague where he has held the honorable position of Judge in the Permanent Court of International Justice for a number of years. It was the original intention of the eminent jurist to resume his contact with domestic conditions, after his long absence in Europe, by extensive travelling in this country. But on finding, upon his return, that dangers lurked everywhere mainly on account of internal discord, he at once gave up his plan for a well earned furlough and imposed on himself the task of bringing about true national unification. So, quite irrespective of the outcome of his coming negotiations with leaders on both sides, Dr. Wang's efforts deserve the gratitude of his countrymen.

It is perhaps not too much to say that no one is better qualified than Dr. Wang for his present mission. From his professional training and political career, he can be counted upon to bring to bear on the deadlocked situation a measure of give and take such as would be acceptable to all concerned. As a jurist, he can view a controversy from all its angles and allow to each its due weight, and he can further distinguish personal prejudices from real issues. With these latter he certainly possesses the gift of dealing in a cool and calm manner. While he would be as just and fair to every side as may be desired, he would always act in a tactful and diplomatic way. This means in effect that statesman-like qualities will pick up where the legal mind leaves off. Of these qualities Dr. Wang is in no want either.

Dr. Wang Was Able to Get Detached View

Again, Dr. Wang's stay in Europe for the past several years should prove a distinct advantage to him over other peace-makers. From the serene quarters at The Hague, he was able to size up the situation in China with a more detached view than anyone not so privileged. He has watched the Chinese political scene with the interest and concern natural to a citizen of China, but not with the heat and passion of a partisan. Being, for these reasons, a *persona grata* with both sides, his words and efforts have a good chance to bear the fruit they were intended to.

Facts, too, have so far confirmed us in our assumption. From press interviews as well as from news reports it appeared that Dr. Wang's trip to Hongkong and Canton had accomplished some definite thing in the cause of unity. Of course it is still too early to speak of concrete results, but the meaning of a few hints and tendencies is unmistakably reassuring. For one thing, Dr. Wang was told by Hu Han-min that his opposition to Nanking hitherto had not been grounded on personal grudges. This open avowal should be deemed a great gain. It is probably the most refreshing breeze to blow over the stuffy atmosphere of our domestic politics in many months. It means that Mr. Hu has not turned his back against patching up matters with Nanking if the latter can meet his political views half-way. By this pronouncement he definitely cut himself from the so-called "irreconcilables" headed by Messrs. Hsiao Fu-che and Teng Cheh-ju. And, to show how these die-hards now get along with the military leaders at Canton, it is incidentally significant to note that Mr. Hsiao was recently reported to be considering the petition for another "sick leave" to repair to his home in Siam.

Returning with good will on the part of the Southwest, Dr. Wang has busily conferred with leaders in Nanking and is now coming north to talk the matter over with General Chiang Kai-shek. His negotiations with Nanking leaders must have brought about a marked improvement in the relations between the contending factions, or Dr. H. H. Kung would not have been so optimistic in a recent press interview. According to the Finance Minister, Dr. Wang's mission had succeeded in clearing up many misunderstandings between the "ins" and outs" of the present regime and the prospect of real unity has never been brighter than it is to-day. As a matter of fact, the idea of a reorganization of the Government on a broadly national basis was represented in some circles as not wholly unpalatable to the Central Authorities.

Majority Evinces an Accommodating Spirit

While the majority opinion at the capital has evinced an accommodating spirit, General Chiang Kai-shek is no less inclined to end a wasteful and mutually harmful feud. Some mischievous notion is current that with the success of the anti-communist drive in Kiangsi, the Generalissimo may be tempted to cut the Gordian knot by fire and sword. But we hope that his policy which has all along been so sane and patient with Canton, may be above that. We expect him to be more far-sighted —to be able to realize that these are very hard times, abounding in immense problems in solving which even a unified China may have no more than a fighting chance. Granted this frame of mind, reconciliation between Nanking and Canton would be a foregone conclusion.

As we mentioned above, news of the postponement of the Fifth Kuomintang Congress has been confirmed. Read in association with the better understanding between Nanking and Canton, this should be a matter for congratulation. It indicates that Nanking would leave no misunderstanding to remain before it meets the other faction in conference. To this Canton has apparently and rightly agreed, Generals Chen Chi-tang, Li Tsung-jen and Pai Chung-hsi being among those who petitioned the Central Executive Committee for the postponement. The wisdom of this course cannot escape anyone, especially if he places the lesson of the failure of the Fourth Kuomintang Congress before him. That conference, let it be recalled, was convened before both Canton and Nanking had undergone a real change of heart. The result was that when it dispersed, with it disappeared harmony and cooperation. What has followed since is indeed an unpleasant story to relate. One compensating aspect, however, has saved the situation. And that is the unusual mutual forbearance and determination not to resort to force, which leave the door open for the present tendency towards unity. It is now up to the broadminded leaders on all sides to make the best use of the fresh opportunity.

A unified China is the universal prayer of Chinese citizens. But then no one can be more interested in its coming than persons like Dr. Wang. For he together with our diplomats abroad have too long been denied the right to represent a united nation.

October 28, 1934.

King of Siam Decides to Abdicate

King Prajadbipok of Siam, at present living in close retirement in England, decided Oct. 28. to abdicate to the Government at Bangkok following a dispute over the Royal prerogative. The National Assembly recently passed a law amending the provision in the criminal code requiring the Royal Assent when a prisoner was sentenced to death or to life imprisonment. The King refused to sanction the law unless the opinion of the people on the matter was first obtained. His demand was refused, and he now feels that, being no longer able to defend the rights and liberties of his people, it is useless for him to remain on the Throne.

U. S. Naval Forces Celebrate Navy Day

All naval units of the United States stationed in Shanghai joined Oct. 27 in a program for the annual Navy Day, on the occasion of the birthday anniversary of the late President Theodore Roosevelt. The Fourth Marines paraded on the Race Course in the morning before a large throng of spectators and the commanding officers of all units, while in the afternoon, between 1 and 4 o'clock. An incident of the parade was the presentation to Corporal J. B. Broadus of golf clubs in honor of his record-breaking win last Sunday of the China Amateur Open Golf Championship. U. S. citizens were invited to attend "at homes" taking place at the barracks of the Fourth Marines Second Battalion, and on the U.S.S. *Asheville*, U.S.S. *Black-Hawk*, and a destroyer.

Further Charges Brought Against Ex-Pre ident of Peiping Palace Museum

Additional serious charges against Yih Pei-chi, formerly president of the Peiping Palace Museum and Minister of Agricultural and Mining, wanted for alleged theft from the museum, have been brought to light.

The Nanking District Court procurate has formally drawn an indictment against Mr. Yih on charges of misappropriation of funds and malfeasance of office in connection with his tenure as Minister of Agriculture and Mining. The whereabouts of the wanted ex-official are unknown. He was last reported to have returned from Dairen to Tientsin when his summer vacation was abruptly curtailed upon discovery of a burglary case at his residence in the Japanese Concession of the Northern city.

According to the procurate charge, Mr. Yih appropriated $7,500,000 in the sale of iron ore from the Government-owned-mines to a iron factory. He sold 1,500,000 tons of ore and entered in the books but 300,000 tons, it is alleged. Mr. Yih is also accused of having obtained from the Government $18,000 which was supposed to be payment to a property owner for 70 mow of land for the construction of the Ministry building. The property, it is alleged, was presented to the Ministry by a temple.

Japanese Threaten Chinese Retail Trade in Philippines

Dr. C. Walter Young, senior associate in Eastern Asia for the Institute of Current World Affairs, New York City, returned to Shanghai last week after spending several weeks in the Philippine Islands.

Dr. Young in an interview said that he was naturally very much interested while in the Philippines to familiarize himself with the commercial position of the Chinese and Japanese there. "The Chinese community," said Dr. Young "is, of course, much larger than the Japanese, and its role in the economic life of the Philippines dates back to pre-Spanish times, or before the 16th century. In recent years the Chinese, as in Manila, have been the very backbone of the retail trade, many Chinese having identified themselves with the social life of the Islands, as by intermarriage.

"The Chinese merchants in Manila still retain the lion's share of the retail business, but are losing ground to the Japanese. This dates especialy from the Chinese boycott of Japanese goods during and after the Shanghai War in 1932. Japanese goods are now retailed in the archipelago largely through Japanese retailers. Scores of Japanese bazaars, handling Japanese textiles, shoes, slippers, soap, hardware and household articles, canned goods and fish products, have sprung into existence like mushrooms from Manila to Mindanao. Thus, the Chinese boycott proved to be a boomerang.

"In the face of this competition the Chinese merchants of Manila, who have hitherto asked for nothing and received nothing by way of assistance from their home government in China, are now seeking to devise ways and means of fostering the Philippine-China trade. Hitherto the Chinese community in Manila, for example, has rather concentrated its efforts on the ports of Amoy and Canton, as they have come principally from these places. Now, however, they are giving more attention to possibilities for shipping Philippine raw products, such as coconut oil and hemp, for manufacture in Shanghai to serve the Chinese market of the Yangtze hinterland. China at present exports several times more to the Philippines than she imports from the Islands. Although Chinese merchants in Manila are seeking to stimulate sales of Chinese 'national goods' in the Philippines, they recognize, also, that can best be fostered by China's buying larger quantities of non-competitive products from the Philippines."

Chinese Competition Will Be Greater than Japanese, Says English Professor

"Japanese competition in industry will be a small thing compared with Chinese competition." declared Prof. F. J. Fleure, of Manchester University, in an address on "East and West." last week.

"When the Chinese get going in industry, the western world will have to look out. The Chinese have taste, a love of quality and beauty, and a temperament which makes them work fifteen hours a day when they are really interested."

Prof. Fleure emphasized that the East was to be regarded as a separate civilization, and not as an uncivilized region which had to be westernized.

"We, with our trade and commerce, are too prone to think that other models of life are 'backward', but that is quite untrue. The East has its own traditions and its own modes of life which we must take into account. Even in material things, we owe to China many things, such as porcelain, the art of printing, and, very likely, the examination. (Laughter). China has been a fertile source of seeds which have germinated in the other lands. The philosophical and spiritual debt to China is also great. An ethical tendency had produced there a society which has been going on for forty centuries—one of the world's greatest achievements.

"As for trade, we are faced with the danger of a gigantic Customs Union in the Far East, with Japan as the workshop. The Japanese themselves may not be able to live in northern Australia or in Borneo, because those regions are too warm, for in Manchuria because it is too cold, but they could fill those regions with Chinese and create a gigantic market.

"The industrialization of China is another formidable possibility.

"All in all, the problem of the Far East in relation to the West is perhaps the greatest problem in the world to-day. It may in a few years so force itself upon our attention that we may have to forget some of our internal difficulties in Europe."

Saar Plebiscite May Be Postponed Owing to Enormous Number of Complaints

There is a probability that the Saar plebiscite may be delayed owing to an enormous number of complaints connected with the provisional electoral lists, which the Plebiscite Commission has to examine individually after learning the opinion of the Plebiscite Tribunal. It seems that the work faced by the Plebiscite Commission in this regard cannot be completed in time, seeing that it would have to handle from 100,000 to 130,000 cases, while the last term expires on November 9.

For Fast and Efficient Radio Telegraph Service to all Parts of the World Send

RADIOGRAMS

"Via CGRA-RCA"

RADIO IS THE QUICKEST AND MOST RELIABLE MEDIUM FOR ALL TELEGRAPHIC COMMUNICATIONS. IT HAS BROUGHT ABOUT RATE REDUCTIONS AND INAUGURATED NEW CLASSES OF SERVICE TO MANY COUNTRIES ...

In CHINA file your messages "via CGRA—RCA"

(Chinese Government Radio Administration R.C.A. Communications, Inc.)

R.C.A. Communications, Inc.

(A Radio Corporation of America Subsidiary)

Office of Representative—Sassoon House—Shanghai.

SOCONY HIGHEST QUALITY GASOLINE

A STANDARD-VACUUM PRODUCT

70-379

U. S. and Britain Agree Not to Accept Japanese Terms

THE most important event of the week in the London naval parleys was that the British and American delegations agreed at their first meeting not to accept Japan's disarmament proposals in their present form. The American delegation expressed determined opposition to Japan's plan to modify the Washington and London Treaties and abolish the naval ratios.

America Foresees Possibility of Construction Race

Navy circles in Washington are quietly sketching outlines of the greatest sea power expansion program since the war which, they expect, will become necessary if Japan fulfills her reported plan to abrogate the Washington Treaty. The Secretary of Navy, Claude Swanson, takes the position that, if Japan increases her ratio, the United States will have to fortify her Pacific island possessions with naval bases.

America naval experts indicate that would mean building fleet bases in the Aleutian Islands, which reach out 1,500 miles into the Pacific from the United States mainland; at Guam and Samoa, in the southwestern Pacific; and possibly base enlargements at Hawaii and the Philippines. Mr. Swanson has said, furthermore, that United States policy is to maintain existing ratios, that is if Japan finds mean to increase her fleet strength, the United States will do likewise.

The United States has under construction, or is ready to build within five months, 68 fleet ships, the largest amount of naval construction at one time since the Washington Conference. It will still be 78 ships below its treaty ratio when those are completed. Construction of the 78 vessels was authorized by Congress last June and they are expected to be built at the rate of 20 to 25 a year. This is part of the new policy to reach full treaty strength as quickly as is feasible. Japan is already within one 1,500-ton destroyer of her treaty allowance.

With such heavy construction on hand, the possibility of a severe naval construction race is foreshadowed. Experts believe that Great Britain certainly would start construction also to keep her position of parity with the United States. This in turn may stimulate French and Italian building.

Trying to Fathom Japanese Aims

Japan's incentive to forecast abrogation of the Washington Conference is not clear to officials in Washington. Reports in the American capital say that, for the most part, Japanese naval circles fear a clash with two powers at once, possibly one land and one sea power, but neutral naval experts say that Japan's geographical remoteness of about 4,000 miles from Hawaii and 3,000 from Singapore, United States' and Great Britain's big bases respectively, makes her virtually impregnable to naval attack, while her large army is the equal of any conceivable land enemy.

Japan accepted the 5-5-3 ratio at Washington in 1922, as did the other powers on the understanding that this made each impregnable to naval attack. The Japanese, who demand abrogation, now contend that conditions have changed.

The United States agreed in that pact to abandon plans to enlarge its Pacific naval bases and to scrap its preponderant superiority in new battle cruisers and battleships. Simultaneously, all the powers signed political agreements broadly intended to maintain the Pacific basin status quo and to allow China a chance to strengthen her internal political-economic structure.

The technical reason for abrogating the Washington Pact soon is that the London Naval treaty expires on December 31, 1934. The Washington treaty continues endlessly unless denounced 24 months in advance. Japan would want to be free from both simultaneously.

"Global Tonnage" Plan Would Provide for Much "Scrapping"

The global tonnage figures allowed under the three naval armaments reduction proposal will be less than Japan's present naval strength, a high authority of the U.S. Government stated at Washington, Oct. 26. The Japanese proposal would involve extensive naval scrapping by all parties, but mostly by Great Britain and the United States, upon the completion of which a new ratio would, in effect, be created somewhere between 2-2-2 and 3-3-3, he said. This authority indicated that Japan anticipates that both Britain and the United States will resist such drastic scrapping and Japan is, therefore prepared to "compromise" at the 3-3-3 ratio figure.

Japanese Defense Expenditures Doubled Since 1931

A survey on the world naval armaments situation published last week by the Foreign Policy Association is, in effect, that Japanese defence expenditures have been doubled since 1931, increasing from 25 to 43 per cent of the total Japanese Government budget, with no signs of reductions in the near future. The analysis report stated that the expenditures of all naval powers except Germany, now exceed the pre-war level. Present percentages for armaments expenditures to the total budget are: Great Britain, 16 per cent; Germany, 17 per cent; United States, 18 per cent; Italy, 20.8 per cent.; and France, 22.3 per cent.

"Arbitrary Actions of America"

In a special editorial addressed to the United States, the *Tokyo Nichi Nichi* and the *Osaka Mainichi* declared Oct. 27 that the London naval conversations had already run aground. "We may say without exaggeration that the difficulty may be traced to the altogether too arbitrary attitude of the United States....Great Britain and America should remember that the agreements reached in the past were virtually the result of brow-beating Japan," the editorial stated.

Japan should be given a navy necessary to maintain peace in the Far East, the *Tokyo Nichi Nichi* stated editorially in commenting upon Washington's anxiety lest Japan's naval proposals in London be designed to assist in obtaining hegemony in the Far East.

"Only when this is done will the purchasing power of the Far East increase and America enabled to obtain full profit from her investments in the Orient," the newspaper said.

The editorial stated that American exports to China had drastically declined due to the fact that peace was incomplete while at the same time Japan's purchases of American goods greatly exceeds China's.

The United States' insistence on maintaining a powerful fleet in the Pacific is contradictory to the principle of non-aggression and creates estrangement between that nation and Japan, in the opinion of Japanese navy officials. Japan is the only stabilizing influence in the Pacific area, these Japanese naval men say, and no trade can progress or the principle of the open door be maintained without Japan's friendly cooperation.

⁂

Japan Must Remain Calm, Says Admiral Suetsugu

In the course of a speech at the public meeting organized under the joint auspices of the *Osaka Asahi* and the *Osaka Mainichi* recently, Admiral Suetsugu, Commander-in-Chief of the Combined Squadron, said:—Unlike Japan, America is economically self-sufficient, and it is difficult to understand, why that country must have the biggest navy in the world. The Americans are a people of as much common sense as the Japanese, and it is to be hoped that they will gradually come to see the absurdity of their present attitude. Working themselves up into a fine state of excitement at the beginning, they go in ethusiastically for a big expansion scheme, and Congress, equally excited may pass it. But as the first glow of excitement vanishes, and cool judgement returns, the absurdity of the scheme will gradually dawn on them. The common sense of the Americans will refuse to see the necessity of the scheme. Both during the world war and after the Geneva Disarmament Conference, America laid down big naval expansion schemes. They were duly passed by Congress, but their execution has been put off to this day. Such being the case, America's flurry need not cause much alarm. If Japan were to become equally excited, there might be a fight, but if she remains collected and contents herself with coolly assuring America that Japan has no intention of building as many ships as America and that all that she desires is to have a navy capable of defending herself, things will adjust themselves in good time."

⁂

Prince Kaneko Assails U. S. Action at London Disarmament Talks

Prince Kaneko Oct. 25 was quoted by the *Tokyo Asahi* as being highly pleased with developments at the London pourparlars, which he interpreted as indicating that for the first time Japan is firmly taking the lead rather then merely following the Western nations. Prince Kaneko strongly assailed the position reportedly assumed by United States delegation to London. "The American position that the only sound defense is an adequate offense is extremely unreasonable, while the American demand that Japan abolish the submarine is simply outrageous," Prince Kaneko was quoted as saying. "Japan must now watch closely propaganda likely to originate in China with the intention of beclouding Japan's fair and honest views," the Prince added. Prince Kaneko's views are accorded great weight because of the fact that he is a member of the Privy Council, which must authorize termination of the Washington Naval Treaty before such action can become final.

70-380

America and Britain Protest Japanese Oil Monopoly

THE U.S. Department of State has made formal representations to Japan complaining of Japanese attempts to squeeze out foreign oil companies doing business in Japan and Manchukuo. It is understood that Great Britain and the Netherlands have made similar representations to Tokyo. All three powers informed the Tokyo authorities that their respective Governments consider that Japanese attempts to establish a petroleum monopoly in Manchukuo violate the principal of the "open door" to China.

Attention of the Japanese Government also was drawn by all three notes to alleged violations of a number of treaties between Japan and foreign countries, including the United States.

Especial and significance is attached to the tendering of these representations at this time in view of the fact that the naval conversations now are in progress in London, since the ultimate aim of Japanese efforts to establish a petroleum monopoly is to attain self sufficiency in the supply of oil needed for her fleet.

American, British and Dutch oil companies repeatedly have complained of the treatment accorded them in Japan and Manchuria. The complaints regarding Manchuria arise from efforts to establish a Japanese-controlled monopoly of the distribution of all oil products throughout the Manchurian state. Protests over the situation in Japan result primarily from legislation requiring foreign oil companies to maintain in their tanks in Japan a constant supply of oil equal to the sales of each company over the previous six months.

The oil companies complain that this Japanese legislation means a financial outlay for the construction of new tanks for continuous storage which makes it impossible for the foreign concerns to continue business in Japan.

Washington officials explained to a representative of the *United Press* that the difficulties with regard to Japan Proper do not involve treaty violations, such as allegedly have occurred in the attempts to set up a Manchukuo monopoly.

In this connection, observers point out that the protests may be interpreted as indirect statements that the protesting Government continue to regard Manchukuo as an integral part of China, subject to the principal of the "open door."

The legislation requiring the maintenance of huge stocks by the foreign oil companies in Japan, according to some authorities is designed to assure an adequate supply of fuel for the Japanese navy and merchant marine in the event of war.

Japan Suggests "Direct Negotiations" With "Manchukuo"

The following statement was issued informally by a spokesman of the Tokyo Foreign office, Oct. 26:

"Although it is true that the South Manchuria Railway Company has invested in the Manchuria Petroleum Company, and the latter has erected its plant in the Kwantung Leased Territory, these facts should in no wise give rise to the question of violation on the part of Japan of any existing treaty obligations.

"In the light of all these circumstances the Imperial Japanese Government can neither discourage Japanese capitalists from investing in a petroleum company incorporated under the law of Manchukuo, nor dissuade the Manchurian authorities from proceeding with certain measures of petroleum control.

"Since, however, we understand that the Manchukuo government is willing to give as much consideration as possible to the existing interests of foreign oil merchants in Manchukuo as regards the importation and sales of petroleum, we believe it best for the interested parties of the two countries to enter into direct negotiations with the Manchukuo authorities."

Recognize "Manchukuo"!

World Powers seeking to apply the Nine-Power Treaty to Manchukuo should first recognize the new government at Changchun, correspondents were told in Foreign Office circles in Tokyo, Oct. 27.

The policies of the new state, according to the Tokyo Foreign Office spokesman, in no sense violate the treaty. As has been explained frequently in the past, he said, the new Empire has adopted the principle of the Open Door and equal opportunity. Japanese officials have pointed out, in connection with such statements of policy, that it is inevitable that some countries will profit more than others from an equal opportunity. Geographical advantages and superior industrial ability are factors operating always in any such situation, it was argued. It is essential, however, the Foreign Office spokesman said, that the World Powers should adopt towards Manchukuo an entirely new attitude.

Gross Evasion on Japan's Part

Government officials at Washington, Oct. 26 expressed the opinion that the Manchurian oil monopoly was exactly the type of trade exclusion Japan would foster in the Orient if permitted hegemony in the Far East. They consider it extremely significant that the Manchukuo Government's oil monopoly program was ex-

For *quicker* Deliveries in American Markets

Ship VIA SEATTLE! The saving in time effected by shipping VIA SEATTLE means quicker deliveries, less "in transit" time and proportionate savings in insurance and interest charges Cargoes are transferred direct from ship to car and vice versa, insuring dispatch and protection against loss.

Comparison of transpacific routes will quickly convince you that you can save days and dollars by routing VIA SEATTLE. Eight unparalleled public ocean terminals completely equipped to handle every commodity

Write Port of Seattle, Bell Street Terminal, Seattle, U. S. A., for illustrated Year Book.

the Port of Seattle

CLEANS

Quink—a marvelous writing ink containing a harmless solvent. **Quink** dissolves sediment and gum left by ordinary inks. The pen starts quickly—goes along like a breeze. And never clogs! That's why we say **Quink** cleans

AS IT WRITES

You owe it to your fountain pen to try this quick-drying, superior ink. Good in all pens, but best in the

Parker
VACUMATIC
MADE BY PARKER PEN COMPANY
Sole Wholesale Agents:—
Dodge & Seymour (China) Ltd.
51 Canton Road, Shanghai

A J

70-381

International Savings Society

A FRENCH PUBLIC SAVINGS COMPANY

Registered at the French Consulate General at Shanghai in conformity with the decrees of 19th February, 1925 and 17th January, 1927.

Capital .....Tls. 1,000,000 Frs. 8,000,000	$ 2,797,202.80
General Reserves.....	$ 1,274,289.59
Property Sinking Fund	$ 384,608.87
Mathematical Reserve.....	$65,123,536.74

HEAD OFFICE:

7 AVENUE EDOUARD VII

SHANGHAI

70-382

posed simultaneously with Japan's claims at the naval armament conversations in London.

The Tokyo contention that Japan has no influence in the matter was regarded as a "gross evasion" in view of Japan's explicit responsibilities in connection with Manchukuo's foreign affairs. In addition, it was pointed out the semi-official Japanese South Manchuria Railway will own a majority of the monopoly company's shares.

"Protests Addressed to the Wrong Party"

The representations made to Japan by Great Britain, the United States and the Netherlands in regard to the proposed establishment of an oil monopoly in Manchukuo were addressed to the wrong party, the Minister of War, Gen. Hayashi, told newspapermen after a meeting of the Cabinet in Tokyo Oct. 27. Manchukuo, he said, had never prohibited foreign investment, nor had she closed the door to foreign businessmen.

The *Asahi*, one of the leading dailies in Japan, commented on the contention of the three Powers that the proposed oil monopoly would violate the Nine-Power Treaty and the principle of the Open Door. It says that no violation of the Treaty or the Open Door policy is contemplated by Manchukuo. "Manchukuo," it added "is an independent state and, as such, is free to take measures for the control of her industries, including the oil industry, especially when the Manchukuo Government gives no monopolistic rights to the Manchukuo Petroleum Co., whose articles of association provide for no discrimination in favor of, or against, any foreigners."

Sharp British Criticism

Japan was criticized sharply in the British press London, Oct. 27 in connection with the Manchukuo oil situation. Cynicism could hardly go further, said the *News-Chronicle* in an editorial, than the Japanese reply concerning the Manchukuo oil monopoly. If Japan desired politely to point out the nature of the rod the Powers had prepared for their own backs by tamely allowing her aggressions, she could have hardly done it more neatly. The oil monopoly, the journal adds, is only the beginning. Already there is talk of a tobacco monopoly, and others will doubtless follow to illustrate further the devotion of Japan and Manchukuo to the principle of the Open Door.

***

One of Founders of "Shell" Oil Company Dies in England

The death occurred in England last week of Samuel Samuel at the age of 79, one of England's wealthiest men. He was a director of the Shell Transport and Trading Co., whose principal business is oil. He founded "Shell" together with his brother many years ago. The adoption of the "Shell" emblem for the oil business came about through the fact that when the Samuels originally started in business they dealt largely in sea shells and other curios. It is not so many years back that the firm of Samuel Samuel and Co. of Kobe closed out its curio department, after having been in operation for many years.

U.S. Fleet Returns to Pacific—Through Canal in 42 Hours

The United States Fleet completed its passage through the Panama Canal at 4.30 p.m., Oct. 25. Time required for the transit was 42 hours as compared with 47 hours from the Pacific to the Atlantic Ocean but there were, however, 20 less ships this time (90 instead of 110). Announcement of the fleet's transit of the Canal was made by the Navy Department in Washington, D.C., after the event, as all an newspapermen aboard ships of the fleet were barred from sending any messages to their newspapers and press associations, in accordance with "war time" requirements. At the end of the maneuvers the commander-in-chief of the fleet announced that he had made no special effort to break the former record.

The aircraft-carriers *Lexington* and *Saratoga* took the longest time for the crossing, namely, twelve hours. Owing to their width, which almost equalled that of the Gatun and other locks, a number of lamp standards was knocked down. The operations were carried on under the difficulties of bad weather, and as a result, the huge plane carriers, slightly damaged the cement locks of the canal through collision. A total of 51 merchant vessels was held up during the transit of the fleet.

Deportees from Japan Appeal for Relief, Property and "Overseas Village"

Wong Ngan-chien, one of the overseas Chinese deported by the Japanese Government, has gone to Nanking to represent the large group of deportees to appeal to the Central Kuomintang, National Government, Executive Yuan, Ministry of Foreign Affairs and the Overseas Affairs Commission.. The deportees have filed three demands with the Government urging immediate relief for the deportees, negotiations with the Japanese Government for the return of confiscated properties, and the early establishment of the Overseas Village in Anhwei.

Who's Who in China

C. M. Shu, banker; born at Yung-chia, Chekiang, 1881; studied at the Yamacuchi Commercial College, Japan; formerly manager of the Bank of China at Langchi and Kiukiang; sub-manager of the Shanghai Office of the National Commercial Bank, and assistant manager of its head office; vice-governor and acting governor of the Central Bank of China; director of the Central Mint; at present administrative director of the National Commercial Bank; supervisor of the Central Bank of China; director of the Bank of China, the Chekiang Industrial Bank, the Land Bank of China, the Wenchow Industrial Bank, the Commercial Press, the Tung Yih Trust Co., the South-Eastern Trust Co., the Shanghai Trust Co; supervisor of the Shanghai Silk Industry Commercial and Savings Bank; member of the Examining Committee of the Central Mint; author of "The Latest History of Finance in Shanghai" (the book has gone through three editions); address: National Commercial Bank, Peking Road, Shanghai.

徐 寄 廎
C. M. Shu (Hsu Chi-chin)

徐寄廎，年五十四歲，浙江省永嘉縣人，日本山口高等商業學校學生，曾充蘭谿九江中國銀行經理，上海浙江興業銀行滬行副經理總行協理，中央銀行副總裁兼代總裁，中央造幣廠廠長，現充上海浙江興業銀行常務董事，中央銀行監事，中國銀行浙江實業銀行中國墾業銀行，甌海實業銀行，商務印書館，通易信託公司，東南信託公司，上海信託公司各董事，綢業銀行監察人，中央造幣廠審查會委員，著有最近上海金融史，現已增改至三版矣。通訊處：上海北京路浙江興業銀行。

Mayor Wu Addresses Pan-Pacific Association on Shanghai Development

A speech was delivered by Mayor Wu Te-chen at the Kiangwan Civic Center Oct. 27 before members and friends of the Pan-Pacific Association on the "Plan for the Development of Greater Shanghai." Dr. C. T. Wang, former minister of foreign affairs, presided. In substance, the mayor cited the gradual development of the Settlement and Frenchtown from 90 years ago, and the phenomenal increase of the city's population. Stressing the necessity of Chinese-foreign cooperation in the development of Greater Shanghai, Mayor Wu declared that every effort is made to realize the ambition of Dr. Sun Yat-sen according to his plan for national reconstruction. Navigation and roads extension in and about Shanghai are two of the important features of the City Government reconstruction work, he said, adding:

"The Civic Center area is approachable by land, water and railway. It has a long water front. It is adjacent to the International Settlement. It is directly and easily accessible from Chapei. It is in the immediate neighborhood of Kiangwan and Woosung. What is more important is the fact that directly to the east of the Center lies the stretch of deep water along the Whangpoo. I refer to the site to be known as the Jiu Kiang Wharf. As the water there is already very deep, it is well suited for a modern wharf. Plans have already been completed for its construction. In order to give the fullest usefulness to the scheme, the Ministry of Railways has consented to lay a branch line connecting the present Shanghai-Woosung line with the wharf. A more ambitious plan is the creation of a deep water harbor at Woosung for ocean-going steamers of very large tonnage. The realization of this scheme will, of course, take some time."

Are you one of those unfortunate people condemned by the anaemic state of your blood to look on while others are playing games which you too would be enjoying if only health allowed?

The symptoms of anaemia are many. Do you tire easily? Suffer from faintness and dizzy spells? Are you subject to headaches? Is your appetite fickle? Do you have aches and pains in your back and limbs? Are you too pale? If any of these signs are present it is most probable that you are anaemic, and steps should at once be taken to correct the trouble.

The best way to do this is to begin a course of Dr. Williams' Pink Pills, recognized for over fifty years as one of the greatest remedies for anaemia ever devised. Dr. Williams' Pink Pills have been proved definitely to increase the haemoglobin, the substance which carries life-giving oxygen from the lungs and nutriment from the food digested to all the innermost cells of all the organs and tissues of the body. They are the prescription of a doctor, an M. D of Edinburgh University, and their unique tonic properties have brought new life to countless sufferers.

Do not give up hope if you are in an anaemic state, but try a course of Dr. Williams' Pink Pills. You will be surprised at their great strengthening effect even after a few days. Chemists everywhere sell

DR. WILLIAMS' PINK PILLS

CUSTOMS NOTIFICATION NO. 1392

The public is hereby notified that the classification accorded to pure linens in Customs Notification No. 1,310 is to be understood as applying only to pure linens of plain weave (i. e. shirting weave, 1/1.)

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 26th October, 1934.

Subscribe to

The China Weekly Review

$12.00 per year

Men and Events

Wang Don, Chinese consul-general in the Philippines, was in Nanking during the week to interview Wang Ching-wei.

F. T. Sung, Chinese Consul-General in the Netherlands East Indies, who is on furlough, has been spending several days in Peiping.

Madame Marie-Louise Perreux, political writer on *Le Petit Parisien*, is a visitor to Peiping, where she is interviewing various Chinese officials.

F. A. Larsen (Duke of Mongolia) arrived in Tientsin last week to meet his son and daughter-in-law, who arrived from the United State.

After an interruption of several days owing to wide fluctuations in exchange, the Tientsin Chinese Post Office has resumed its International Money Order service.

E. S. Wise of the Dollar Steamship Lines departed November 2, 1934, by plane for Szechuen on a business trip. He expects to be away for five or six weeks.

The Lloyd Triestino has issued invitations to a tea dance to be held on board the s.s. *Conte Rosso*, Monday, Nov. 12. The tender will leave the Customs jetty at 5, 6 and 7 p.m.

E. W. Hearne, veteaan Y. M. C. A. worker, is on a tour of North China, in the course of a round-the-world tour. He will return to Shanghai in time to board the s.s. *President Grant*, sailing Nov. 28.

The two German women's organizations in Shanghai, "N.S' Frauenschaft" and "Frauenhilfe" announced a joint meeting at the German school in Great Western road Nov. 2, with a view to effecting amalgmation.

Local Chinese shipping firms have decided to suspend Shanghai-Hankow sailings as a protest against the new Customs pilot rules. The shipping firms prefer to employ unqualified pilots because the regular pilots draw bigger pay.

P. W. Tsao, assistant manager of the Shanghai Commercial and Savings Bank and also chief of the agricultural department of the institution, who has been studying the agricultural cooperative movement in Anhwei and Kiangsu, has returned to Shanghai.

The Pan-Asiatic Student Congress opened in Berlin Oct. 26, with the participation of over 40 student delegates representing Persia, Afghanistan, Turkestan, Egypt, India, China and Japan. The climax of the Congress was a speech by Alfred Rosenberg.

Miss Chu Chin, daughter of Percy Chu, general secretary of the World Students Federation, and Yeh Ming-kung, graduate of St. John's University, were married at the New Asia Hotel in Shanghai Oct. 28. Mayor Wu Te-chen officiated at the ceremony

The local Czechoslovakian community celebrated the sixteenth anniversary of national rebirth of said nation Oct. 28. In the absence of the Czechoslovakian Minister to China, Dr. R. Feitscher, the reception at the Legation was conducted by the Acting Consul General in Shanghai, J. Max.

The remains of the late Mrs. Wang, mother of Wang Pah-chun, former minister of communications, and mother-in-law of General Ho Ying-chin, minister of war, were temporarily laid in the Yung An Cemetery, Shanghai, Oct 26 pending removal to her native place in Kweichow.

The French Police appeal against the acquittal, in the Chinese Court in the French Concession, of four Chinese accused of committing robbery at the office of Messrs. Seth, Mancell and McLure, chartered accountants, was dismissed Oct. 29.

The annual Alumni Day of the University of Shanghai was observed Oct 26. President Herman C. E. Liu delivered a speech of welcome and said that he was glad to see that the *esprit de corps* which had helped to win honor for their Alma Mater in former days was still welding them again in this annual gathering.

The summary of revenue for September published in last week's *Municipal Gazette* shows that the amount of land tax collected in September, 1934, was $199,723.75, making a total of $4,671,638.46 received since January 1, as compared with $3,065,961.70 in September, 1933, and $5,793,357.51 for the first nine months last year.

A huge quantity of opium valued at $120,000, was seized on board the Indo-China river steamer *Kutwo* when it passed Wuhu on its eastward voyage from Hankow last week. A fireman, who is alleged to have thrown a sack of opium into the rapid stream when the officers boarded the steamer, has been arrested and detained.

The first Oriental Conference on Higher Education will be held in Manila under the auspices of the University of Philippines, from Deember 17 to 20, according to Dean Francisco Benitez, who recently arrived in Shanghai from Japan. Dean Benitez addressed University of Shanghai students last week on "Sino-Philippine Friendship.

The German, Wirthmuller, who came to Shanghai with a forged Norwegian passport (which he made no use of) was ordered released by the First Special District Court Oct. 30.

Mrs. Owen Lattimore, whose travel book "Turkestan Reunion," has become a "best seller," arrived in Peiping last week. She is being joined there by her husband, coming from Japan *via* Shanghai. Mr. and Mrs. Owen Lattimore will live in Peiping. Several months ago Mr. Lattimore was appointed editor of *Pacific Affairs*, the quarterly published by the Institute of Pacific Relations.

Mr. and Mrs. Floyd W. Johnson, Americans, of the Seventh Day Adventist Mission at Kweiyang, who fled owing to the communist menace, have arrived safely at Nanning, in Kwangsi. There is no news regarding the two China Inland Mission workers, A. Hayman, Australian, and R. A. Bossbardt, Swiss, who were recently captured by communists.

Mrs. Ruth Ezra has filed a petition for divorce in San Francisco against Isaac Ezra, of Shanghai. The complaint was based upon the conviction of her husband on charges of heading a narcotic smuggling ring operating between Shanghai and California last year. He was convicted and sent to the Federal Prison at McNeill's Island, Washington, last year.

The Pan-Pacific Association of Shanghai is sponsoring a supper-dance to be given at the Paramount ballroom in Yu Yuen Road, Thursday, November 8, at 9:30 p.m. The proceeds will be used for the work of the Association. Tickets are for sale at $3.50 each, which covers entrance and buffet supper. Tickets may be obtained from the executive, Marguerite C. Chen, at 190 Peking Road. Tel. 17777.

A decision to form an international journalistic publicity committee was taken Oct. 28 at the first meeting of the committee on journalism of the China Cultural Reconstruction. Those named to the committee are: Hollington K. Tong, editor of the *China Press*, Wang Po-chi, manager of the *Sin Wan Pao*, Ho Hsi-ya, editor of the *Chen Pao*, and Yuan Yen-yu.

A discussion for the formation of a special committee to study the Banking Law governing the savings department was held at the Shanghai Bankers' Association between prominent Chinese bankers Oct. 27. Among those present at the deliberation were Messrs. Hsu Chi-hung, Yeh Woo-siao, Tsu Chi-kang, Ching Zeng-sha, Ching Ku-pao, Chwang Nai-tsi, and Chu Fu-chuan.

Tung Huai, director of the Public Education Institute for Shantung Province, who returned last week to Tsinan from an eight-months tour to Europe on an investigation mission under the auspices of the Shantung Provincial Government, recommends the system of popular adult education as used in Czechoslovakia, Poland, and Soviet Russia as the ideal pattern plan for Chinese educationalists to follow in their task of educating China's masses. This is because those systems aim chiefly at the elimination of illiteracy.

A plot to assassinate the Premier, Signor Benito Mussolini, who was attending the demonstration in honor of the 37 Fascist martyrs, was reported to have been unearthed by the police at Florence, Oct. 27. It was stated that numerous bombs had been found in the possession of several foreigners. The whereabouts of all Germans and Russians was most carefully checked.

Many students were reported to have been injured in Tsingtao last week in a free-for-all between the Chinese and Japanese students of Tsingtao College. The trouble developed when a Chinese student, Wang Chih-en, was beaten by a Japanese student as a result of a quarrel. The students of the Shantung University, who came to the rescue of their fellow students in the Tsingtao College, have declared a strike as a protest against the disturbance, said to have been started by the Japanese students.

*
**

Unknown Hero's Tomb at Miaohangchen Will Be Ready January 28

Work on the Unknown Hero's Tomb at Miaohangchen in commemoration of the Chinese soldiers and officers who lost their lives in defense of Shanghai against the Japanese invasion of 1932 is progressing so rapidly that the inauguration ceremony has been definitely set for January 28, the third anniversary of the outbreak of the "Shanghai incident."

The tomb covers a site of 50 mow of land and is to cost more than $100,000.

*
**

Mob Wrecks Japanese Factory in Chapei

A mob of between 200 and 300 Chinese attacked the San Cheng Bone Factory, a Japanese owned factory in Western Chapei, on the afternoon of Oct. 30 and wrecked the interior, including the machines. The Chinese and other employees of the mill were forced to flee, leaving the plant deserted in the hands of the mob. A fire alarm was put into the Chapei Fire Brigade who found the deserted plant and the wrecked machinery, but no fire, on their arrival.

U.S. Foreign Trade in September Shows Gain of $32,000,000

The United States favorable foreign trade balance amounted to more than $60,000,000 during September. American exports increased $19,723,000 and imports increased $12,144,000 during September as compared with the previous month. September imports totaled $131,659,000 as compared with $119,515,000 in August and $146,643,000 in September, 1933. Exports during September were valued at $191,690,000 as against $171,967,000 in August and $160,119,000 in September of last year.

Virginia Glass Factory Succumbs to Japanese Competition

Declaring they could no longer carry on against foreign competition, particularly that furnished by the Japanese, two glass factories, in Virginia have closed down, throwing some 1,100 persons out of work.

Mob Lynches Negro in Florida

A negro convict held on charges of assaulting and murdering a white girl was lynched at Marianna, Florida, Oct. 27, by a mob which broke into the prison and dragged him out into the open where he was beaten and hanged.

A Friendly Treaty with Panama

Marking a new step in the friendly policy of the United States toward Latin American countries, commenced by President Roosevelt, a new treaty was signed Oct. 27 by the United States and the Republic of Panama. The new agreement abolishes the privilege held by the United States to send unlimited troops into the Panama Canal Zone and restricts the future total of troops to only those necessary to guarantee American sovereignty in the zone.

Aluminum Train Sets Up Los Angeles-N.Y. Record

The new aluminum stream-lined train of the Union Pacific smashed a 28-year-old record Oct. 25 when it covered the 3334 miles from Los Angeles to New York in 56 hours 56 minutes.

***

Wholesale Promotions in the U.S. Army

Approximately 400 U.S. Army officers having been retired since June 1, promotions are being made, filling the following positions:—67 colonels, 145 captains, 32 first lieutenants and six second lieutenants.

Stimson and Stanley Hornbeck See President Roosevelt

Henry L. Stimson, who as Secretary of State under President Hoover took a firm stand against the Japanese in the Manchurian adventure, and Stanley Hornbeck, head of the Far Eastern Division of the Department of State, were summoned for a conference by President Roosevelt Oct. 30.

London Comment on Sir Frederick Maze

The diplomatic correspondent of the London Morning Post made the following comments on the occasion of Sir Frederick Maze's return to London, after being recalled from Canada:

There is no truth in the report that an attempt has been made by Japanese to oust Sir Frederick Maze from the post of Inspector-General of Chinese Customs. The report was renewed when Sir Frederick suddenly returned to England recently while on his way back to China after a period of leave.

"The facts are that when the Japanese were fighting the Chinese in Shanghai there was an agitation against the Japanese Commissioners of Customs. On the advice of the Inspector-General the latter were given leave of absence until such time as the situation should become normal. As Sino-Japanese relations are now much improved, a proposal was recently made that the Japanese Commissioners should resume their function. This, in conjunction with the absence from China of Sir Frederick Maze, may have given rise to rumors which are entirely unfounded. There is not, and has never been, any question of a change in the Inspector-Generalship.

The report is all the less credible because if the Inspector-General were to be replaced it is most unlikely, in view of the anti-Japanese feeling in China that a Japanese would succeed him, or that Japanese interests would be as well protected under an official of another nationality.

The *Japan Chronicle* commented on the above:

"Instead of all this the writer might have told us why Sir Frederick Maze *did* go back to England."

[The general impression in Shanghai is that Sir Frederick Maze's stay in London was in connection with the silver situation.—Ed. *C.W.R.*]

WHAT a happy moment when the man arrives to instal the telephone!

THERE ARE TELEPHONES READY—WHY NOT PLACE YOUR ORDER TO-DAY!

Any of our employees will be pleased to take your order or Consult the Business Office Now:—

Head Office: 232 Kiangse Rd.
Branch Office: 333 N. Kiangse Rd.

TELEPHONE 94090

No. 175

交通大學研究所

THE CHIAO-TUNG UNIVERSITY

RESEARCH INSTITUTE

With Branches at Tangshan and Peiping

I. Division of Industrial Research

(1) Bureau of Engineering Design
(2) Bureau of Material Testing
(3) Bureau of Machine Testing
(4) Bureau of Electrical Testing
(5) Bureau of Physical Testing
(6) Bureau of Chemical Testing

II. Division of Economic Research

(1) Bureau of Social Economy
(2) Bureau of Industrial Economy
(3) Bureau of Communications
(4) Bureau of Administration
(5) Bureau of Accounts
(6) Bureau of Statistics

All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

70-385

New Books of Interest in the Far East

Communism versus Fascism

Fascism and Social Revolution, by R. Palme Dutt; International Publishers, New York City, U.S.A. 296 pages.

Life and Teachings of V. I. Lenin, by R. Palme Dutt; International Publishers, New York City, U.S.A. 95 pages.

Mr. Dutt, editor of the British *Labor Monthly*, is easily the most brilliant orthodox communist journalist writing in the English language, and his *Fascism and Social Revolution* is especially outstanding both as a definition and description of Fascism and as a polemic against it. In fact, it may be listed as required reading for anyone desiring to keep abreast of this dizzy modern world, although Mr. Dutt's orthodoxy—like all orthodoxy—sometimes leads to incomplete analysis and dubious dogmatism.

"Fascism," says Mr. Dutt, "is a movement of mixed elements, dominantly petit-bourgeois, but also slum-proletarian and demoralized working class, financed and directed by finance-capital, by big industrialists, landlords and financiers, to defeat the working-class revolution and smash working-class organizations." It is not confined merely to the countries in which it has qualitatively triumphed—Italy, Germany and Austria,—but exists in varying quantitative degrees throughout the capitalistic world, including the U.S.A. "Germany," as he says, "is the most advanced, highly organized capitalist country in the world . . . which shows to other countries the picture of their future development." In short, Fascism is plutocracy's last remedy—perhaps a kill-or-cure remedy—for the universal pathological condition of capitalism.

This is excellent as far as it goes, but neither in what has been summarized nor elsewhere does Mr. Dutt adequately explain such important aspects of Fascism as the role of the expropriated petty bourgeoisie (who, according to the Marxian theory, should be proletarianized), or the failure of communist leadership to direct more than a very small minority of workers along the true revolutionary way. In discussing the rise of Hitler, for example, Mr. Dutt goes no farther than to defend the Communist retreat on the grounds that the party "was weak" among "employed industrial workers in large-scale industry," and to place all blame for the Nazi trimuph on the Social Democrats who represented the bulk of the German working class.

But why did the majority of the German workers follow the Social Democratic leaders instead of the Communist leaders? Both had about the same opportunity to appeal to the masses in pre-Nazi Germany and the Communists had the added advantage(?) of pointing to the results of the Red regime in nearby Russia. Why, also, did practically none of the petty bourgeoisie who were expropriated during the post-war era rally around the Red banners, but enlist instead in the Nazi Storm Troops? Logically, the only answer would involve admission of some error in Marxian theory and/or admission of some ineptness in German Communist leadership,—either of which would doubtless result in Mr. Dutt's excommunication by the Third Internationale.

No attempt can be made in this brief space to give definite answers to the questions raised, but a few tentative conclusions will be ventured. The German Reds, from all evidence, never displayed the potency to be expected in view of their numbers; according to one sandonic tale, they would observe "Keep Off the Grass" signs when fleeing from the police. Further, while Marx charted the course of capitalism with remarkable accuracy, he made what increasingly appears to have been one vital error in his serious underestimation of the length of its fairly efficient life. One consequence of this has been that extensive expropriation of the petty bourgeoisie (as in Germany or U.S.) did not take place until after unemployment had reached such a stage that there were no proletarian jobs to absorb them. Therefore, with few exceptions, they still retain their bourgeois psychology—and thus are ideal recruits for the Fascist shock troops. Another consequence has been that the most pronounced evils of capitalism, such as unemployment and severe wage-cutting, have been so insidiously gradual and accompanied by pallitative measures like the dole in England and Germany, that large sections of the working class have been emasculated instead of being endowed with revolutionary vigor. Prolonged capitalistic education, not only in the schools but through the press, radio, the cinema, etc., has contributed greatly to this process. Hence, millions of workers today lack either the will or the energy for effective revolt. Still further—and apparently entirely overlooked by Marx—is the fact that even in its decline, capitalism has succeeded in retaining the support of many thousands of workers, especially the all-important technicians, by paying wages that provide a fairly high standard of living—much higher, for example, than prevails in the U.S.S.R.

The Russian Red Revolution, incidentally, tends to confirm this analysis. There the bourgeoisie never were in power, nor were they strong enough to establish themselves in power after the feudal Czarist regime collapsed. The proletariat, on the other hand, had been quickly evolved and disciplined without benefit of counter-revolutionary education in large-scale industries of chiefly imperialistic development, and the principal opposition faced was not the bourgeoisie, but the cohorts of an inefficient and outworn feudalism.

Returning to Mr. Dutt's thesis, the Nazi success cannot be rationally explained by blaming the Social Democrats, but he certainly scores heavily against them in citing their numerous boasts that they saved Germany from Bolshevism. He is also sound in saying that Social Democracy paved the way for Hitler. For, as he puts it, "only two courses were open in post-war Germany: either the victory of the working-class revolution or the complete victory of the reaction." Whether, as he maintains, social revolution could have triumphed immediately after the war had it not been for the Social Democratic "betrayal" is debatable, but those who honestly oppose dictatorship on liberal principles would do well to compare that of the Nazis with that of the Bolshevikks.

Perhaps the best section of Mr. Dutt's book is that dealing with the rise of the Dollfuss Fascist regime in Austria and the bloody crushing of the Austrian Socialists. Here, as he says, "the attempt to explain the advance and victory of Fascism by the 'split' in the working class through the existence of Communism is . . . exploded once and for all." And he might also have pointed out that Austrian developments explode the oft expressed theory that Fascism is inevitably the result of the "menace of Communism." For there were virtually no Communists in Austria. The Socialists there won such power and the muchly publicized apartment-houses as they possessed by legal, constitutional means,—but that did not save them from being drowned in their own blood by the class they had failed to liquidate either because of weakness or because of disbelief in Red ruthlessness. All of which, of course, was to be expected,—for Fascism is the weapon that capitalism everywhere will employ to prevent, or crush, any real or apparent advance of the proletariat whether that advance is made by ballots or by bullets. Strikes of the conservative American Federation of Labor, for example, bring forth Fascist reactions no less than would Red strikes.

In his concluding chapters, Mr. Dutt vioces the optimistic view that Fascism is only a passing phase of dying capitalism,—that, for example, the Nazi regime is merely a prelude to a Red regime in Germany. Here, he is by no means wholly convincing. At the moment, Germany's future probably depends more on the forthcoming vote in the Saar than on any other factor, and if that vote should be adverse to Hitler the Communists might succeed capitalizing it, but even if Hitler were overthrown, there is no assurance that he would be succeeded by someone more acceptable to either Communists or liberals. Certainly, as Mr. Dutt says, "the very ferocity of the capitalist attack (by Fascism) is the measure of the growing revolutionary advance,"—but it does not follow that Fascism, either Nazi or otherwise, cannot stem the tide. The fact that Fascism is characterized by barbaric terror is no proof of its futility in terms of permanence; Communism in Russia has likewise been characterized by extensive terrorism, nor can all of it be justified on the grounds that it has been employed only to liquidate bourgeois or feudal exploiters. As a matter of cold, cruel fact, terrorism is highly effective—regardless of its objective—as long as it is efficiently applied, for the mass of mankind is easily terrified and clings to life at any price. In Italy, which is the oldest Fascist realm, the Communists appear to be almost completely extirpated, nor is there indication of any other organized opposition of any consequence.

Mr. Dutt's short piece on Lenin does not at all compare with *Fascism and Social Revolution*. A good summary is given of Lenin's tactical theories of revolution, including his dictum that "where the masses do not want the old regime, and when the rulers are unable to govern as of old, then only can revolution succeed." But Mr. Dutt fails to present any critique of these theories in light of developments since the Russian revolution, particularly in such weapons of government as the airplane and poison gas (*vide* article by this reviewer in these columns on October 20) that the Russian Communists never had to face.

The most distinguishing feature of Mr. Dutt on Lenin is the lack of even mention of Trotsky, who was Lenin's closest collaborator throughout the revolution. But to balance the picture, it should be noted that the orthodox communist distortion of history in regard to Trotsky is no worse that Trotsky's demonology whereby the failure of the world revolution is attributed to Stalin's Evil Eye. By now it should be obvious enough that Stalin and what he represents are the result, not the cause of the failure of the world revolution—for with that failure the U.S.S.R. was forced to turn either nationalistic and attempt "to build socialism in one country alone," or return to capitalism. And if any tactical mistakes were made in connection with revolutionary failure outside of Russia, Lenin and Trotsky were as responsible for them as Stalin—for the failure was no less pronounced before Stalin's rise than it has been since.

Wherefore, it is an interesting and not unimportant clinical note that Mr. Dutt explains the rise of Fascism chiefly by damning the Social Democrats, and can write of Lenin without mentioning Trotsky; that Trotsky can ignore his own dialectical materialism to explain history by revising Carlyle's "great man" theory into a "bad man" theory; and that neither of them is prepared to admit modern developments make it necessary to question the correctness of certain aspects of the Marxian theory which they both avow with as dogmatic difference in interpretation as would characterize a debate between a Baptist and a Methodist on the correct Biblical method of baptism. Perhaps all this is as much of an indication of communist pathology as Fascism is of capitalist pathology.

W. B.

The Toronto Conference

British Commonwealth Relations, Edited by A. J. Toynbee. London: Oxford University Press. Shanghai office, 140 Peking Road.

This book is a record of the Proceedings of the British Commonwealth Relations Conference which was held in Toronto in September last year. The Conference was an entirely unofficial one, and attended by delegates who were unofficial representatives of their countries. Each of the fully governing units of the British Commonwealth of Nations, except Ireland and Newfoundland, were represented.

The scheme of the book is first to survey the existing ideas current in the matter of Empire Co-operation, especially in the matter of Foreign Affairs, and to examine the machinery for action which is at present available: second, to report in detail the main speeches made at the Conference, and to give the gist of the chief conclusions reached.

Things in India Cannot Be Left as They Are, Says Chancellor of Exchequer

The bill for Indian constitutional reform to be presented in the House of Commons at the new Parliamentary session which is to start Nov. 22 will contain between 350 or 400 clauses. In a recent speech Neville Chamberlain, Chancellor of the Exchequer, expressed regret that the Indian bill had been the occasion of serious differences of opinion in the Conservative Party. Without danger of aggravating such differences, he reiterated that affairs in India could not be left as they are. There was no dispute about that. The only question to decide was how fast and how far they were prepared to go in the direction of helping Indians towards self-government.

⁂

Emotional Scenes Mark Opening of Indian National Congress

Emotional incidents marked the commencement of the Indian National Congress at Bombay, Oct. 26. The opening proceedings were watched by a crowd of 30,000 spectators, who burst into cheers upon the arrival of Mr. Gandhi, the Indian Nationalist leader. Babu Rajendra Prasad, in his presidential address, made strong attacks against the policy of the British White Paper, the economic policy of the Government of India and communal award. He concluded: "God is with us in the epic struggle of unarmed people fighting with weapons of satyagraha, of truth and non-violence against a government equipped with the latest engines of destruction."

A CHAIN OF EVIDENCE.

Received from such widely different countries as America, Burma, Ceylon and the Dutch East Indies, the testimony which follows emphasises the fact that wherever they are used Baby's Own Tablets, the formula of an eminent specialist in children's ailments, earn the appreciation and praise of thankful parents.

America: Mrs. Rose Voyer, of Willimantic, Conn., U.S.A., writes:—"I have found Baby's Own Tablets a wonderful medicine for children's troubles, especially indigestion and constipation. I have also given them to my children for simple fever and teething and they always gave relief. I can recommend Baby's Own Tablets to all mothers."

Burma: Mrs. E. Myint, of Magwe, Upper Burma, states:—"Until I gave my young daughter Baby's Own Tablets she suffered from bowel and stomach troubles which reduced her almost to a skeleton. Now she is strong and well."

Ceylon: Mr. C. Kiel, teacher, St. Patrick's College, Jaffna, Ceylon, reports:—"I have found Baby's Own Tablets an efficacious remedy for constipation, indigestion and sleeplessness from which my two children formerly suffered."

Dutch east indies: Madame Chye Ah May, dressmaker, of 28 Gang Tjemara, Dalen 28, Batavia, writes:—"My daughter, Flora, was troubled with stomach disorders and bowel irregularity. Fortunately a friend recommended Baby's Own Tablets. One vial proved their merits. My daughter is now in good health and robust, thanks to the occasional dose of Baby's Own Tablets she gets."

Baby's Own Tablets are guaranteed safe and good for even the youngest infant or most delicate child. From chemists everywhere.

CUSTOMS NOTIFICATION No. 1391

The public is hereby notified that in accordance with Government instructions *tuan-mu* (椴木), a hardwood derived from a type of lime-tree grown in Manchuria and largely used in China in the manufacture of matches, will, when imported rough-hewn or in round logs, be classified temporarily as from the 16th October, 1934, under Import Tariff heading No. 581 (a) and that this Tariff heading will be amplified temporarily to include 椴木, which in the English version will be rendered as "lime."

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 24th October, 1934.

CUSTOMS NOTIFICATION No. 1393

The public is hereby notified that in accordance with Government instructions the maximum quantity of copper coins allowed to be carried by passengers is reduced from 10,000 to 5,000 1-cent pieces and that the number of subsidiary silver coins, of either 10-cent or 20-cent denomination, allowed to be moved without restriction is reduced from 500 to 300.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 30th October, 1934.

Revised Chinese Budget Is Balanced at $918,111,034

The National Budget for the 23rd fiscal year (July 1, 1934-June 30, 1935), which was adopted by the Central Political Council and referred to the Legislative Yuan in July last, has been found incomplete or inadequate, and has now been revised by the Council.

Whereas the original budget was balanced at $777,302,226, the revised budget is now balanced at $918,111,034. The revised budget will be forwarded to the Legislative Yuan, through the Directorate-General of Budgets, Accounts and Statistics, for examination and approval.

The Budget, in its revised form, is as follows:

Estimated Expenditure		Estimated Revenue	
A. Ordinary Expenditure:		*A. Ordinary Revenue:*	
Party	$5,660,700	Salt Gabelle	$190,353,851
National Government	12,295,580	Customs	366,413,791
Military	293,014,600	Tobacco and Wine Tax	23,104,873
Civil Administration	4,474,869	Stamp Tax	12,884,286
Diplomatic Affairs	8,625,886	Consolidated Tax	116,959,679
Financial Administration	67,944,134	Mining Tax	2,724,979
Education and Culture	32,443,117	Stock and Commodity Exchange Tax	100,000
Judicial Administration	2,017,520	Banking Tax	1,600,000
Industries	3,934,390	Revenues from State Properties	3,901,375
Communications	4,967,942	Revenues from State Enterprises	20,965,050
Administration of Mongolian and Tibetan Affairs	1,435,520	National Administrative Receipts	12,266,280
Reconstruction	1,812,180	Surplus from State Enterprises	8,349,567
Subsidies	44,425,735	Quotas remitted by the Provinces and Municipalities	6,588,000
Pensions, Compensation, etc.	3,761,665	Miscellaneous	7,258,360
Loan Service	257,530,231	Total	$773,470,091
2nd Reserve Fund	7,343,055		
Total	$751,687,124		
B. Extraordinary Expenditure:		*B. Extraordinary Revenue:*	
Party	$60,000	Customs	$16,400,450
National Government	492,700	Revenues from State Properties	1,643,503
Military	39,976,310	Revenues from State Enterprises	339,010
Civil Administration	61,000	National Administrative Receipts	250,806
Diplomatic Affairs	201,000	Loans	50,000,000
Financial Administration	248,680	Miscellaneous	76,007,174
Education and Culture	1,376,248	Total	$144,640,943
Judicial Administration	946,390		
Industries	200,000		
Communications	231,810		
Reconstruction	34,176,856		
State Enterprises	50,318,716		
Subsidies	38,134,200		
Total	$166,423,910		
Grand total of estimated Expenditure	$918,111,034	Grand total of estimated Revenue	$918,111,034

From the above figures, it may be noted that the estimated income from the Customs has been increased by $6 millions, in comparison with the original budget. This is the result of the recent increase of the Customs import duty on foreign rice, wheat and cotton.

The Consolidated Tax estimate is increased by $360,280, largely from the provinces of Hopei, Shansi, Charhar, and Suiyuan.

The income from State Enterprises is increased by $55,200, largely from the income of the Peiping Palace Museum. The income from the telegraph and postal services is increased by $5,564,967 and $2,784,600 respectively.

The item of loans is increased to $50 millions. Under Miscellaneous income are now included the proceeds from the American Cotton and Wheat Loan, the loan for the Huai River Conservancy Board, loans made by the Ministries of Railways and Communications from the British Boxer Indemnity Refund, etc.

Retrenchment in Expenditure

Compared with the original estimates of expenditure, the Party expenses have been reduced by $64,764, and the expenses of the National Government by $1,302,000. Thus, the Executive Yuan has received a cut of $18,000, the Legislative Yuan $36,450, the Judicial Yuan $24,000, the Control Yuan $40,000, the Directorate-General of Budgets, Accounts and Statistics $36,000, the Ministry of Audit $36,000, the various offices of Administrative Supervisors $334,368, and the various auditing organs $681,466. The reserve fund of the National Government has been reduced by $71,116.

The military expenditure is increased by $25,240,000. (This increase is shown in the Extraordinary expenditure, but no change has been made to the ordinary expenditure.)

Reductions made in the ordinary expenditure of the various other branches of the Government, in the revised budget, are as follows:

Civil Administration	$540,000
Diplomatic Affairs	$200,000
Education and Culture	$215,116

With regard to this last item, it should be noted that if the expenditure for military training be also included in it, the expenditure for education has in fact been increased by $14,784,884.

Under the item of State enterprises, which is newly added, is included expenses for the construction and purchase of materials for the Yushan-Pingsiang Railway, Canton-Hankow Railway, and for the improvement of the telegraph and postal administration and the airmail services.

CUSTOMS NOTIFICATION

No. 1394

With reference to Customs Notification No. 1,389 concerning the export duty on silver, the public is hereby notified that, in accordance with Government instructions:

(1) The Flood Relief Surtax and Revenue Surtax will not be levied on the amount of the equalization charge,

(2) The equalization charge is payable at the rate in force on the date of application to export and not on the date of clearance of the exporting vessel,

(3) The equalization charge is not refundable if a shipment is withdrawn.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 29th October, 1934.

CUSTOMS NOTIFICATION

No. 1395

The public is hereby notified that in accordance with Government instructions the minimum amount of duty collectable by the Customs Baggage Parties on dutiable articles carried in *bona fide* passengers' luggage has been set at G. U. 1 per passenger for imports and at St. $2 per passenger for exports, the collection of lesser amounts of duty being waived. In the case of coastwise movements of dutiable articles in passengers' baggage, interport duty amounts of less than St. $5 per passenger will be waived.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 30th October, 1934.